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## SOCIAL VALUE EASY GUIDE

# Getting the most from Social Value

A step-by-step guide for SMEs and VCSEs



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# Introduction

Emerging from the Covid-19 crisis with a focus on Social Value

**The Social Value Act 2012 is transforming the relationship between the public and private sector. Many councils across the UK are now including standalone Social Value weightings within their procurements of at least 10% and in some cases over 20%. Suppliers bidding for work with the public sector must now have a proper Social Value offering, or risk losing out. However, on the face of it this can present a real challenge to small and medium-sized enterprises (SMEs) and voluntary, community and social enterprises (VCSEs).**

SMEs have been badly hit by the Covid-19 crisis but their long-term survival is key for the UK economy and our public sector. They represent 60% of all private sector employment in the UK and, according to the UK Federation of Small Businesses, account for over 99% of all private sector businesses. VCSEs are no less important to the UK economy and are recognised by government as a hallmark of a thriving democracy. Though the largest 3% of voluntary organisations receive 80% of the sector's income, it is the small organisations embedded into our communities that have not only kept us all going through the Covid-19 crisis but will be essential in our recovery and renewal.

During the Covid-19 crisis, we have all had to REACT quickly to preserve life and protect the NHS, and unfortunately this has led to many SMEs and VCSEs losing income. Now that we must get ourselves ready to RECOVER and REBUILD, SMEs and VCSEs have an opportunity to regrow businesses and help the UK to recover by working closely with the public sector.

This document aims to help SMEs and VCSEs ensure they are best placed to maximise the benefits of Social Value. It describes the steps that SMEs and VCSEs should take to maximise their opportunity of winning work with the public sector.

## Definitions

**Those organisations that provide services, goods or works to the public sector and are SMEs or VCSEs defined as:**

SMEs – Micro, small and medium-sized enterprises:

- Micro businesses have fewer than 10 employees and turnover less than EU2m
- Small businesses have fewer than 50 employees and turnover EU2m to EU10m
- Medium businesses have fewer than 250 employees and/or turnover EU10 - EU50m

VCSEs – Voluntary, community and social enterprises:

- Small to medium-sized voluntary organisations defined by having an annual income between £25,000 and £1m
- Micro charity organisations that have an annual income of less than £25,000 (according to NCVO's Almanac, the National Council for Voluntary Organisation)

# What is Social Value and how is it measured?

**Social Value refers to the wider financial and non-financial value created by an organisation through its day-to-day activities. It encompasses the wellbeing of individuals and communities, social capital created and the environment.**

Social Value is defined through the Public Services (Social Value) Act 2012 (Act) which came into force in January 2013. The act requires all public sector organisations (and their suppliers) to look beyond the financial cost of a contract and consider how the services they commission and procure might improve the economic, social and environmental wellbeing of an area. It is transforming our public sector by placing Social Value alongside quality and price as an equal partner in supplier engagement.

Within the public sector most buyers and suppliers use the National Social Value Measurement Framework – known as the National TOMs – to measure, manage and maximise the delivery of Social Value. This framework has been endorsed by the Local Government Association and recognised as one of the principle ways of measuring Social Value by Crown Commercial Service.

The National TOMs can be downloaded as a free resource and the LGA have produced a useful video explaining how they can be used to maximise social value. See Appendix A and B for more information.



## Public Services (Social Value) Act 2012

### Useful links

- The National TOMs
- LGA Video 'Measuring and Managing Social Value'
- Social Value Portal Guidance
- National Social Value Taskforce
- VCSEs, Selling to Government (CCS)

# A step-by-step guide for SMEs and VCSEs looking to make the most of Social Value

There is a danger that SMEs and VCSEs will see Social Value requirements as an additional barrier to winning public sector contracts rather than an opportunity. However, Social Value can represent a potentially winning advantage.

For instance, SMEs are often already delivering Social Value but in a way that is not understood to be ‘social value’, such as by employing local people, carrying out school visits or using local suppliers. This ‘baked in’ local integration represents a real advantage over some larger companies that do not have the same level of commitment to the local community and do not have the flexibility to tailor solutions. VCSEs are similarly likely to be locally based and have a clear cause and purpose, often leveraging volunteer time into their services. By using support offered by public sector buyers, SMEs and VCSEs can identify and measure the local Social Value that they are already delivering as a part of their normal business.

A second common challenge for all SMEs and VCSEs is that they lack the resources of larger organisations and do not always have the bandwidth to submit complex solutions. While buyers can help them to overcome this obstacle by making submissions as simple and easy as possible, organisations can use the National TOMs framework to quantify the Social Value they generate.

By following 7 key steps, SMEs and VCSEs can improve their chances of winning work through Social Value:

<b>Step 1: Get ready</b>	Prepare by measuring what you already do by using the National TOMs.
<b>Step 2: Know your customer</b>	Get to know your customer and download their Social Value Policy.
<b>Step 3: Get involved</b>	Attend any market engagement events and make sure customers know your offer.
<b>Step 4: Develop your offer</b>	Take the time to develop your social value offer ahead of any tender.
<b>Step 5: Answer the question</b>	Answer the question that has been asked, not the one you wish had been asked! Use the National TOMs as your format if not specified.
<b>Step 6: Manage and report</b>	Put in place robust management and reporting processes to demonstrate you have delivered what you proposed.
<b>Step 7: Improve</b>	Write a case study – this will be useful for the next tender and will help you improve.



## Step 1: Get ready

### Prepare by measuring what you already do by using the National TOMs.

SMEs and VCSEs should prepare themselves ahead of any submission by understanding what they already do and assessing their Social Value footprint. This can be done using the National TOMs Framework. The aim of this work is to prepare the organisation well ahead of any procurement to better understand where the organisation's strengths lie. An overview of the National TOMs and a checklist can be found at Appendices A and B.

## Step 2: Know your customer

### Get to know your customer and download their Social Value Policy.

All public sector buyers are bound by the Social Value Act, and although there is still a high degree of inconsistency across the sector it is worth doing your homework to understand their position with respect to Social Value.

- If your target customer is holding events on Social Value, then it is good to attend.
- Look out for Social Value Policy documents, toolkits and procurement strategies that talk about the Social Value Act. Download and review.
- Review local advertising portals and the authority's website to see the transparency of published spend reports, contract end dates and pipeline projects.
- Review searchable public commissioning and procurement reports that explain decisions made and describe needs, strategies and processes carried out.

## Step 3: Get involved

### Attend any market engagement events and make sure customers know your offer.

- Participate in market sounding or service design/needs analysis where appropriate. This is especially the case for VCSEs that are recognised as being essential to the design and delivery of solutions and often have expert local knowledge.
- Register your interest against the relevant CPV (Common Procurement Vocabulary) codes to be alerted to contracting opportunities when they are published.
- For larger procurements, get in touch with the prime contractor Social Value lead and make sure that you are on any lists that are being developed.

## Step 4: Develop your offer

### Take the time to develop your Social Value offer ahead of any tender.

All organisations should have some form of Social Value Policy but for the VCSE community this is an essential part of business.

- Prepare a Social Value Policy that builds on your strengths identified in Step 1. A draft policy is included in Appendix C.
- Seek support to improve your understanding of Social Value, develop your CSR (Corporate Social Responsibility) strategy and potentially tailor your future approach.
- Ahead of the contract, think about how you can add Social Value using the National TOMs as your checklist.
- Understand the "local needs" that may be published on councils' websites (see step 2) to identify specific priorities in your area and consider how your offer can address these.

## Step 5: Answer the question

**Answer the question that has been asked not the one you wish had been asked! Use the National TOMs as your format if not specified.**

There is inconsistency across the UK in how Social Value is asked for within tenders and as a result you will need to maintain a high degree of flexibility in how you answer the submissions.

- Read the question carefully and understand how Social Value is to be assessed. The weightings are especially important and anything at or over 10% shows that this is an important issue to the buyer. Some local authorities use higher weightings and in such cases very careful attention must be given to your submission.
- Many buyers use the National TOMs. If they don't, make sure that you follow the tendering instructions to ensure you submit a compliant bid. Often this will include providing method statement responses to quality questions that could be supplemented with commitments in an action plan. Always ensure that your submission is compliant but where there is no specific format requested or there is scope to extend your submission, use the National TOMs Social Value Calculator to develop and value your proposal.
- Do not over claim and make sure you are able to follow through on all your commitments. Some councils are now looking to put in place remedies for non-delivery as this is part of the quality and is treated the same as other non-performance.
- Always provide evidence proving that you can deliver, explaining how you are proposing to deliver.
- Work with other SME/VCSE partners where appropriate. For example, if you want to work with young offenders, it is best to find a partner, rather than standing at the prison gate! You can also clarify the process with the buyers during a procurement process.
- Many councils request Social Value submissions to be contract specific; make sure you follow guidance and do not include irrelevant information in your proposal as this won't count towards your bid.

## Step 6: Manage and report

**Put in place robust management and reporting processes to demonstrate you have delivered what you proposed.**

All buyers want to see progress against target and you will need to have in place an appropriate contract management process and performance reporting.

- Understand that the Social Value commitments are a part of the contract and that they must be delivered.
- Plan ahead, do not leave everything to the last quarter!
- Collect data and evidence as you deliver against your commitments.

## Step 7: Improve

**Write a case study – this will be useful for the next tender and will help you improve.**

After the project has finished, write a case study and share your learnings with the rest of your team. Your case study can be used as evidence for future projects and lessons shared will help you improve your performance and deliver even more value for communities.

## Additional guidance for VCSEs

**Measuring impact** – Most voluntary organisations and some social enterprises have a single cause or social mission around which their business or solution has been designed and, in some cases, the National TOMs will not be sufficient to capture all of the outcomes, measures and value created. In these instances, it may make sense for organisations to assess their social return of investment (SROI) within the TOMs framework when pitching to prime contractors to help communicate the additional value that can be used for every pound spent with the social enterprise or voluntary organisation. This can be achieved by changing the proxy value from £1 to the certified SROI number which is usually greater than £1 (i.e. for every £1 spent with a social enterprise the SROI is £1.56).

**Get to know a Prime** – For larger projects, it is highly unlikely that a small business or VCSE will be given the primary contract. A larger organisation, known as a Prime or Tier 1, will win the bulk of the contract but could offer some of the work to a smaller company. In these cases, and if you are aware of contracts that are in the pipeline, you may be able to contact potential Primes, either directly or through the buyer, to become part of the supply chain.

### Arnab Dutt OBE

#### Small business owner and Social Value lead for the Federation of Small Businesses

**For micro, small and medium enterprises (MSMEs) the Social Value Act must be an opportunity to innovate, be disruptive and to scale up. We need to use the Social Value Act to redefine “procurement” and turn it into “participation”. We need to turn “supply chains” into “socio/economic pipelines” using the power of public procurement to transform the economic and social fabric of the United Kingdom. Anything less is just cosmetic tick boxing.**

The Social Value Act has the potential to challenge institutional inertia and orthodoxy and embrace dynamism and transparency. MSMEs must be able to share and contribute. In themselves small businesses are intrinsically models of social value, hiring those that larger enterprises will not, being at the heart of their communities. Deploying social value with the correct guidance must aim to help MSMEs do better business and by doing so, spread the social and economic benefits into their communities. Commissioners must have inclusive MSME participation in the process of designing the social value architecture. This cannot be a top down prescriptive exercise - it will fail. The challenge of imagining a social value economic ecosystem is huge and we must enlist MSMEs to model that vision and co- create solutions that impact on deprivation, improved social cohesion and better productivity for our economy as well as value for money for the public purse.

What should MSMEs do? The Social Value Act is an opportunity to audit your own businesses and see what part it plays in the social eco system and what more it could do which would enhance growth, reputation and make it attractive to commissioners.

**For example, does your business or can your business provide the following:**

- Donate time and skills.
- Promote inclusivity and diversity.
- Contribute to mentoring.
- Provide support in kind to community organisations.
- Offer work experience to young people targeting the most needy and deprived.
- Engage and support, schools, colleges and universities.
- Engage with youth organisations and charities.
- Involve yourself in health and mental wellbeing in the workplace and wider community.
- Improve sustainability and make your own community greener.
- Offer community space to local organisations.
- Work with local business organisations, LEPs and MSME consortia.

And if you don't already do any of this, can you integrate the above into your business model and strategic plan?



# Appendix A

## Case Studies

### Case Study 1: SME Supplier

**Buying Organisation: West Midlands Combined Authority**

**Supplier: PET-Xi Training**

**SV Weighing used in ITT: 15%**

**Social Value Committed: 7.2%**

**Social Value Delivered: 10.7%**



PET-Xi Training are a local SME supplier who were selected as a part of an open tendering process to deliver WMCA's Employment Support Pilot (Connecting Communities). The project is aimed at supporting unemployed residents and those on low pay within the West Midlands and supporting individuals to find work and progress in employment. In April 2018, as part of their tender submission for this framework, PET-Xi made a social value commitment of £35.5k against a total contract value of c. £500k. (equivalent to 7.2% Social Value Add (SVA)).

Upon contract award, PET-Xi's initial social value commitment was converted into fixed targets against which they agreed to deliver their social value initiatives over the 3-year contract. Between August 2018 and April 2019 PET-Xi have achieved 150% progress against their targets equating to £53k of social value, equivalent to 10.7% social value add.

The Social Value Add delivered to date includes

- 1 local person
- 1 long-term unemployed person have been recruited as part of their delivery team.
- 6 weeks of work experience
- 2 weeks of training opportunities

PET-Xi Training is an SME and have also taken care to support VCSEs through their supply chain and in the community, delivering over £2,000 of spend, donating 50 hrs of expert advice and 17 hrs of voluntary time to local voluntary organisations. PET-Xi Training takes an ethical approach by ensuring that 50% of their supply chain contracts commit to ethical procurement, and they have looked after their staff through 33 hrs of wellbeing support and 21 hrs of diversity training.

In addition to the above, PET-XI have provided all trainers with energy efficient cars as well as donating 165 hrs of voluntary time to supporting local community projects. This support has included advertising upcoming events, running community information days and sponsoring community promotion

# Appendix A

## Case Studies

### Case Study 2: Supplier

Supplier: Radiant Cleaners  
National Social Value Awards – Winner 2020



The cleaning industry employs over 700,000 individuals across the UK. The industry contributes over £24.4bn to the economy and is a vital service for businesses and the public sector to run effectively. However, employees can be vulnerable to anti-social hours in a job that is often exhaustive, and sometimes exploitative, of employees.

Radiant Cleaners, founded in 2017, have been working to change this. Their success proves that it is possible to run a reliable, commercially competitive business that treats employees well and have a positive societal benefit.

Radiant Cleaners supports people who have faced multiple barriers to good employment by giving them a job that works for them. Radiant Cleaners currently employs 13 cleaners throughout Nottingham and the East Midlands, providing quality solutions to businesses in the construction sector, premium office spaces in Nottingham and consumer cleaning services for the public.

**“Cleaning is a service that is always going to be needed. We are not offering an innovative product – but we are saying that you don’t have to accept the status quo. It is possible to run a sustainable, competitive business that has its employees at the heart of it.”**

Matt Parfitt Managing Director and Founder

Radiant Cleaners’ social value can be viewed from two perspectives. Firstly, what are the savings to the government and the value added to the economy from moving people experiencing long term unemployment into a job? Secondly, what is the value created for the employee?

Radiant Cleaners provide the social value forward-thinking companies are looking for in their supply chain. The company provides prospective employees with a “supportive employment” package to help them overcome their unique barriers to employment, including:

- ‘Easy entry’ employment: Anyone who wants to work with Radiant Cleaners can come and give it a try.
- Bespoke training and job matching
- Living wage and stepped contracts
- Support networks

Radiant Cleaners has developed a ‘Living Life Index’ to help its employees track their wellbeing and think about their employment and personal goals. By investing in systems to understand what is helping their employees benefit, Radiant Cleaners ensures social impact is at the heart of everything they do. The Index tracks self-confidence and personal value; employment skills and social engagement; home life (financial situation, housing, family and drug/alcohol use); and health (mental and physical).

# Appendix A

## Case Studies

### Case Study 3: Buyer - Social Value Policy

**Buying Organisation: Solihull Metropolitan Borough Council**  
**SV Weighing used in ITTs: 5-15% below OJEU, 15-20% above OJEU**  
**SV Threshold: £50,000**



Solihull Metropolitan Borough Council (Solihull) have had a social value policy since 2015 that sits alongside a Social Value Charter. The policy was updated in 2019 when they committed to using the National TOMs as their measurement solution and committed to working with Social Value Portal. The Social Value Policy defines social value as:

*“A process whereby organisations meet their needs for goods, services and works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”*

The Policy requires all of their commissioners to think about how they achieve outcomes in a more integrated way at the pre-procurement stage. Rather than thinking about services in isolation or in the short term, this approach requires commissioners to consider long term costs, sustainability and how inclusion of additional social value outcomes can potentially reduce pressures in other areas and provide capacity and funding for improved community benefits.

The Social Value Policy will be monitored on an ongoing basis through reports to Procurement Board. In addition, social value will be included in reports on delivery against the Council Plan, which will be taken to Cabinet and where appropriate through the Cabinet Member responsible for individual projects

Value	Process	Potential Outcomes
Under £50,000	Light touch social value guidance will be included on the Corporate Procurement Service intranet pages	Innovation around one or two issues such as community volunteering or linking up with a local school. This will help small local businesses understand the issues and reward those that are already involved in their communities. Expectations will not be specific to a project but take into account what the organisation does as a whole. A suggested 5% weighting to be used on project assessment.
£50,000 – Public Contract Regulations (PCR) thresholds	Category Managers will guide specifications and tender documents to ensure that Themes, Outcomes and Measures (TOMs) are included within the procurement process. It is an expectation that Social Value will apply to procurement requirements that fall within this threshold and any exceptions to this rule must be authorised by the Head of Procurement.	Businesses will be expected to respond to the range of opportunities contained within the TOM matrix. They will be assessed on their project specific proposals. A 5 – 10% weighting is likely to be used on evaluation.
PCR thresholds and above	Category Managers will guide specifications and tender documents to ensure that considerations are made at commissioning stage and that TOMs are included within the tender process, ensuring that the evaluation scores and weightings are clearly set out and that an action plan is implemented during the contract period. Social Value must be included in tenders. Any exceptions to this rule must be authorised in the Procurement Authorisation Document (PAD) presented to Procurement Board	Businesses will be expected to respond fully to the TOMs matrix and commit to project specific deliverables that will be included in KPIs. Weightings are recommended to be set at 15 – 20%.  Weightings above 20% are used where contract price is set, or there is a specific opportunity around Social Value to solve a specific need.  Category Managers will provide guidance on what is expected although this will not be prescribed.

# Appendix A

## Case Studies

### Case Study 4: Buyer

**Buying Organisation: Star Procurement**

**SV Weighing used in ITTs: 20% below OJEU & 15% above OJEU**

**SV Threshold: £50,000**

**Average Social Value Committed: 27.7% - £453,378**

**Social Value commitments delivered to date: 22.80%**

**Social Value Delivered to date: 5.48% and £7,236,389**

**No. procurements managed through SVP: 81 Live projects**

**E-tendering Partner: Procontract, The Chest**



STAR is a public sector shared procurement service, established in 2014. During this time, STAR have grown from a three to five partner organisation, working collaboratively with Councils and providing collaborative procurement to Clinical Commissioning Groups, Housing Trusts and the Greater Manchester Combined Authority.

#### **Vision and leadership to embed social value in all procurements**

During 2018, STAR recognised that while social value was included in their procurement weightings and evaluation processes, it was providing little evidence of impact or contractual guarantees of the delivery of social value. As there was no formal mandate to ensure social value was included in all procurement exercises, STAR had no method for capturing or managing the social value offered or for measuring impact across their four main geographical boundaries.

STAR also recognised that we needed to build on engagement with the business/VCSE communities and to inspire their partners and stakeholders to evidence how Social Value could help them to deliver against their own organisational objectives and priorities.

Over the last 12 months, Star has focused on social value improvement as a key workstream and under the leadership of their director, Lorraine Cox, gained support from the Board, Joint Committee and Leaders from the four key partner organisations who all agreed to adopt the Social Value Charter and to work collaboratively to maximise social value.

This approach ensures social value is included all procurements above £50k contract value, weighted at a minimum of 20% for contract values below OJEU thresholds and at 15% for those above OJEU. Star started work with Social Value Portal in March 2019 and since that time they have fully embedded the National TOMs into their procurement and contract management strategy and now use the Social Value Portal to capture bidders social value proposals for evaluation and through to contract management. In the first 12 months following implementation, STAR have embedded social value into over 180 contracts through the Portal, unlocked over £31m in committed social value and awarded almost 60% to local businesses delivering and average social value to the area of +25%.

Market engagement has been at the forefront of procurement and key to the success. This has included external training sessions 'Match Fit' for businesses and VCSEs, targeting local/SME/VCSE organisations and embedding the pre-engagement protocol into all procurements to allow these communities to mobilise.

STAR is now using their social value data captured to develop a targeted approach to the future use of the TOMs framework and are engaging at a regional and national level to inspire others on their social value journeys.

# Appendix A

## Case Studies

### Case Study 5: Buyer - Procurement

**Buying Organisation: Solihull Metropolitan Borough Council**

**SV Weighing used in ITTs: 5-20%**

**SV Threshold: £50k**

**Average SLEV Committed: 38% £193k**

**No. procurements managed through SVP- 39**

**E-tendering Partner: CSW-JETS**



In 2019, Solihull Metropolitan Borough Council (SMBC) was seeking to replace tills in approximately 70 secondary and primary schools, to be managed by Solihull Catering Service. The contract involved the delivery, installation, ongoing maintenance and training. Both leasing and purchasing options were considered.

SMBC was looking for a hands-on approach when it comes to implementation so that deadlines are met and a continuing relationship that is both innovative and forward-looking throughout the period of the contract.

The contract was suitable for delivery by a VCSE or SME and the estimated Contract Value was £250-500k over five years (+3 year extension option).

For the School Tills contract social value was weighted at 15%, as a standalone evaluation criteria were as shown in the table below.

<b>Quality Weightings</b>	40%	
<b>Price Weightings</b>	45%	
<b>Social Value Weightings</b>	15%	
	Qualitative	Qualitative
	7.5%	7.5%
<b>TOTAL</b>	100%	

The competition was held over four weeks and six social value proposals were received.

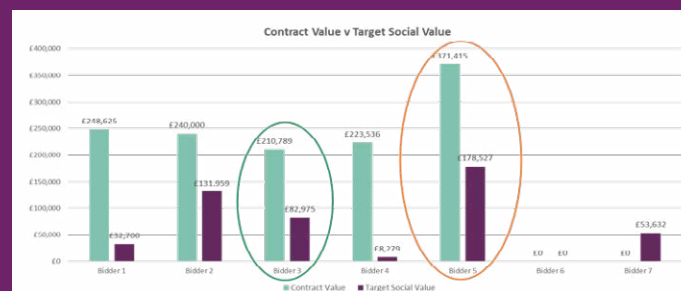


Figure 1: Social Value bids received for the Solihull 'Tills Contract'.

Bidder 3 won the project due to best combination of price, quality and social value.

Bidder 5 ranked highest in the scoring of social value.

The successful offer included three local employees, 150hrs of support for schools and two meaningful work placements equating to over 45% of the of the contract value.



# Appendix B

## National Social Value Measurement (TOMs) Framework

The National Social Value Task Force sponsored by the Local Government Association (LGA) and supported by Social Value Portal developed and published the National Social Value Measurement (National TOMs) Framework in 2017. The National TOMs was the culmination of over 18 months' consultation with more than 40 separate public and private sector stakeholders. The framework is designed help organisations to identify and measure the Social Value being delivered through a contract by providing a minimum reporting standard. For District Councils it provides an easy to use solution that has been approved by the LGA's National Advisory Group for Procurement, is immediately available and may be applied to any project.

The TOMs are structured around 5 Themes, 20 Outcomes and 48 Core Measures, hence the name TOMs, that a supplier could provide in addition to the delivery of the core service that they are being engaged for. Typically, this might mean jobs for those furthest from the job market, spend with local SMEs, opportunities for voluntary organisations, environmental improvements and volunteering in the community. Each opportunity is given a value that reflects the fiscal and economic benefits for the community and allows organisations to report their total contribution to society through the contract they are delivering.

**The 5 Themes that the National TOMs framework is structured around are as follows:**

- **Jobs:** Promoting Skills and Employment: To promote growth and development opportunities for all within a community and ensure that they have access to opportunities to develop new skills and gain meaningful employment.
- **Growth:** Supporting Growth of Responsible Local Businesses: To provide local businesses with the skills to compete and the opportunity to work as part of public sector and big business supply chains.
- **Social:** Creating Healthier, Safer and More Resilient Communities: To build stronger and deeper relationships with the voluntary and social enterprise sectors whilst continuing to engage and empower citizens.
- **Environment:** Decarbonising and Safeguarding our World: To ensure the places where people live and work are cleaner and greener, to promote sustainable procurement and secure the long-term future of our planet.
- **Innovation:** Promoting Social Innovation: To promote new ideas and find innovative solutions.

# Appendix B

## National Social Value Measurement (TOMs) Framework

Theme	Outcomes
<b>Jobs: Promote Local Skills and Employment</b>	More local people in employment
	More opportunities for disadvantaged people
	Improved skills
	Improved employability of young people
<b>Growth: Supporting Growth of Responsible Regional Business</b>	More opportunities for local MSMEs and VCSEs
	Improving staff wellbeing and mental health
	Reducing inequalities
	Ethical Procurement is promoted
	Social Value embedded in the supply chain
<b>Social: Healthier, Safer and more Resilient Communities</b>	Creating a healthier community
	Vulnerable people are helped to live independently
	More working with the community
<b>Environment: Decarbonising and Safeguarding our World</b>	Carbon emissions are reduced
	Air pollution is reduced
	Safeguarding the natural environment
	Sustainable Procurement is promoted
<b>Innovation: Promoting Social Innovation</b>	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

# Appendix B

## National Social Value Measurement (TOMs) Framework

### What are the benefits?

The principal benefits of using the National TOMs as your reporting standard are that it:

- Provides a consistent approach to measuring and reporting Social Value
- Allows for continuous improvement
- Provides a robust, transparent and defensible solution for assessing and awarding tenders
- Allows organisations to compare their own performance by sector and provides industry benchmarks to understand ‘what good looks like’
- Reduces the uncertainty surrounding Social Value measurement for businesses, allowing them to make informed decisions based on robust quantitative assessments and hence embed Social Value into their corporate strategies

### How can the National TOMs be used?

The National TOMs Framework has been designed to help organisations in four principal business activities.

- Measurement and valuation of Social Value
- Procurement and bid evaluation
- Bid submissions
- Contract management

The National TOMs is a free resource. They are laid out in Appendix B and can be downloaded here.

### Putting a value on ‘Social Value’

The National TOMs are supported by a set of ‘Proxy Values’ that allow users to assess the financial impact that the measures will have on society in terms of fiscal savings and local economic benefits. Of course, Social Value is not all about ‘money’ but nonetheless this is an important metric to help understand the scale and breadth of a measure’s impact. Importantly, it allows procuring bodies to compare tenders in a way that is proportional and relevant to the bid, and to better justify a procurement decision.

### More than just measurement

It is important to measure what has been delivered and to maintain a record of past performance; that is the traditional role of measurement. The National TOMs Framework, however, looks to go much further and has been designed not only to measure what has already been done but also to deliver the change that organisations want to see. In this respect, the TOMs can be viewed as an agent for change and each outcome and measure has been developed to reflect a need and to encourage businesses to become involved in supporting the fulfilment of that need.

### Keeping the National TOMs ‘Live’

The National TOMs Framework is not a static tool and has to evolve to reflect changing needs and pressures in society. It will be updated on an annual basis. Work on the National TOMs each year starts immediately following release of that year’s edition, ready for consultation over the summer and publication in the winter of each year. Any organisation can make representations for additional Outcomes and Measures to be included and these will be debated and analysed by a research advisory board before final approval by the LGA’s Social Value Taskforce.

# Appendix C

## National TOMs Measures

Theme	Outcomes	NT Ref	Measures
<b>Jobs: Promote Local Skills and Employment</b>	<b>More local people in employment</b>	NT1	No. of local direct employees (FTE) hired or retained (for re-tendered contracts) on contract for one year or the whole duration of the contract, whichever is shorter
		NT1a	No. of local direct employees (FTE) which are TUPE transfers retained on contract for one year or the whole duration of the contract, whichever is shorter (re-tendered contracts only - to be used at Measurement)
		NT1b	No. of residents (FTE) from the listed sub-localities employed directly or through the supply chain as a result of your procurement requirements on the contract for one year or the whole duration of the contract, whichever is shorter (see sub-localities listed in 'LISTNT1b')
		NT1c	No. of local people (FTE) on contract for one year or the whole duration of the contract, whichever is shorter, employed through the supply chain as a result of your procurement requirements
		NT2	Percentage of local employees (FTE) on contract
	<b>More opportunities for disadvantaged people</b>	NT3	No. of employees (FTE) hired on the contract who are long term unemployed (unemployed for a year or longer) as a result of a recruitment programme
		NT4	No. of employees (FTE) hired on the contract who are Not in Employment, Education, or Training (NEETs) as a result of a recruitment programme
		NT5	No. of 18+ y.o. employees (FTE) hired on the contract who are rehabilitating or ex offenders as a result of a recruitment programme
		NT6	No. of disabled employees (FTE) hired on the contract as a result of a recruitment programme
		NT7	No. of hours of support into work provided to unemployed people through career mentoring, including mock interviews, CV advice, and careers guidance -(over 24 y.o.)
	<b>Improved skills</b>	NT8	No. of staff hours spent on local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks (including preparation time)
		NT9	No. of weeks of training opportunities on the contract (BTEC, City & Guilds, NVQ, HNC) that have either been completed during the year, or that will be supported by the organisation until completion in the following years - Level 2,3, or 4+
		NT10	No. of weeks of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation until completion in the following years - Level 2,3, or 4+
<b>Improved employability of young people</b>	NT11	No. of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance) - (under 24 y.o.)	
	NT12	No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)	
	NT13	Meaningful work placements that pay Minimum or National Living wage according to eligibility - 6 weeks or more (internships)	

# Appendix C

## National TOMs Measures

<b>Growth: Supporting Growth of Responsible Regional Business</b>	<b>More opportunities for local SMEs and VCSEs</b>	NT14	Total amount (£) spent with VCSEs within your supply chain	
		NT15	Provision of expert business advice to VCSEs and SMEs (e.g. financial advice / legal advice / HR advice/HSE)	
		NT16	Equipment or resources donated to VCSEs (£ equivalent value)	
		NT17	Number of voluntary hours donated to support VCSEs (excludes expert business advice)	
		NT18	Total amount (£) spent in LOCAL supply chain through the contract	
		NT18a	Total amount (£) spent through the contract in specified sub-localities (e.g. high deprivation areas) - please refer to list NT18a for the qualifying areas	
		NT19	Total amount (£) spent through contract with LOCAL micro, small and medium enterprises (SMEs)	
	<b>Improving staff wellbeing and mental health</b>	NT20	No. of employees on the contract that have been provided access for at least 12 months to multidimensional wellbeing programmes that include flexible working time arrangements; healthy nutrition options; physical health programmes; a health risk appraisal questionnaire; access to health and wellbeing resources (e.g. a tailored health improvement web portal; wellness literature; and seminars and workshops focused on identified wellness issues)	
		NT39	Mental Health campaigns for staff on the contract to create community of acceptance, remove stigma around mental health	
		NT21	Equality, diversity and inclusion training provided both for staff and supply chain staff	
	<b>Reducing inequalities</b>	NT40	Number and type of initiatives to be put in place to reduce the gender pay gap for staff employed in relation to the contract (describe and document initiatives)	
		NT41	Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation	
		NT42	Percentage of contractors in the supply chain required (or supported if they are micro and small business) to pay at least Real Living wage	
	<b>Ethical Procurement is promoted</b>	NT22	Percentage of procurement contracts that includes commitments to ethical procurement, including to verify modern slavery and other relevant requirements.	
		NT43	Number and type of initiatives throughout the supply chain to identify and manage the risks of modern slavery occurring (i.e. supply chain mapping, staff training, contract management) in relation to the contract (describe and document initiatives)	
	<b>Social Value embedded in the supply chain</b>	NT23	Percentage of contracts with the supply chain on which Social Value commitments, measurement and monitoring are required	
	<b>Social: Healthier, Safer and more Resilient Communities</b>	<b>Creating a healthier community</b>	NT26	Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc.) or wellbeing initiatives in the community, including physical activities for adults and children
		<b>Vulnerable people are helped to live independently</b>	NT27	Initiatives to be taken to support older, disabled and vulnerable people to build stronger community networks (e.g. befriending schemes, digital inclusion clubs)
		<b>More working with the Community</b>	NT28	Donations or in-kind contributions to local community projects (£ & materials)
			NT29	No. of hours volunteering time provided to support local community projects



# Appendix C

## National TOMs Measures

<b>Environment: Decarbonising and Safeguarding our World</b>	<b>Carbon emissions are reduced</b>	NT31	Savings in CO2 emissions on contract achieved through de-carbonisation (specify how these are to be achieved)
		NT44	Policy and programme to achieve net zero carbon by 2030 including monitoring plan with specific milestones (issued or to be issued by the end of 2020)
		NT45	Carbon Certification (Carbon Trust Standard, Planet Mark or equivalent independently verified) - achieved or to achieve for current year
	<b>Air pollution is reduced</b>	NT46	Corporate travel schemes available to employees on the contract (subsidised public transport, subsidised cycling schemes and storage, sustainable corporate transport such as electric bus from public station to corporate facilities)
	<b>Safeguarding the natural environment</b>	NT47	Donations or investments towards expert designed sustainable reforestation or afforestation initiatives
	<b>Sustainable Procurement is promoted</b>	NT35	Percentage of procurement contracts that includes sustainable procurement commitments or other relevant requirements and certifications (e.g. to use local produce, reduce food waste, and keep resources in circulation longer.)
		NT48	Supply Chain Carbon Certification (Carbon Trust Standard for Supply Chain or equivalent independently verified) - achieved or to achieve for current year
NT49		Requirements or support (for Micro or Small enterprises) for suppliers to demonstrate climate change and carbon reduction training for all staff - e.g. SDGs Academy courses (NTs) or (e.g. RE) Supply Chain Sustainability School bronze or higher or equivalent	
<b>Innovation: Promoting Social Innovation</b>	<b>Social innovation to create local skills and employment</b>	NT50	Innovative measures to promote local skills and employment to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.
	<b>Social innovation to support responsible business</b>	NT51	Innovative measures to promote and support responsible business be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.
	<b>Social innovation to enable healthier safer and more resilient communities</b>	NT52	Innovative measures to enable healthier, safer and more resilient communities to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.
	<b>Social innovation to safeguard the environment and respond to the climate emergency</b>	NT53	Innovative measures to safeguard the environment and respond to the climate emergency to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.

# Appendix D

## Draft Social Value Policy

### [Name of Business] Social Value Policy

**Our Impact.** We recognise that the impact of our activities goes far beyond the financial returns that we are looking to achieve. We have a direct responsibility to the communities in which we operate to maximise social value in terms of economic, social and environmental wellbeing. Whilst we are not bound by the Public Services (Social Value) Act 2012, we have chosen to implement the spirit of the Act into how we do business as we believe that this will deliver the most value for ALL of our stakeholders.

**Social Value Policy.** Our Social Value Policy has been designed to ensure that we take into account and maximise the social value and beneficial impact that we bring to the communities we work within. This policy covers all our activities as well as the activities of our supply chain including suppliers and service providers. It lays out our management objectives as well as the specific activities that we will undertake to ensure that we meet the aims of this policy. This includes who our stakeholders are, how we consult with them, how we will deliver our core business activities and how we will report our progress against our ambitions.

#### Our Commitments

- People and knowledge management – to ensure that all of our staff are aware of the impact they have and the value that they can create and to put in place the resources needed to ensure that they can deliver the principles laid out within this policy.
- Our stakeholders – to ensure that we know and consult with our stakeholders on a regular basis. Our stakeholders include our people, our supply chain and the community where we work.
- Measurement and monitoring – to measure the social value of all our business against the National Social Value Measurement (TOMs) Framework that is based on 5 key focus areas (themes)
  - Jobs: Promote local skills and employment
  - Growth: supporting growth of responsible regional businesses
  - Social: Delivering healthier, safer and more resilient communities
  - Environment: protecting and improving our environment
  - Innovation: promoting social innovation
- Target setting – to set targets that are relevant and proportional and reflect the broader impact on society that we are looking to achieve. Targets will be set on a three-year rolling basis and progress will be reported annually.
- Reporting – to ensure that all our stakeholders have access to relevant information on our Social Value performance presented in a way that is clear and concise and shows how we are progressing against our targets. Where targets are not being met, we will be clear about measures to be taken to rectify our performance. Reporting will be delivered through an annual update and a range of other media solutions.

**Governance.** (INSERT NAME) holds board level responsibility for the Social Value (SV) policy and objectives.