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## SOCIAL VALUE EASY GUIDE

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# How to engage more SMEs and voluntary organisations

A step-by-step guide for buyers



# Contents

<b>Introduction: Why supporting SMEs and VCSEs is vital</b>	<b>Page 3</b>
<b>What is Social Value and how is it measured?</b>	<b>Page 5</b>
<b>A step-by-step guide for buyers</b>	<b>Page 6</b>
<b>Step 1: Social Value Policy</b>	<b>Page 7</b>
<b>Step 2: Build market capacity</b>	
<b>Step 3: Design the service for SMEs and VCSEs</b>	
<b>Step 4: Market engagement</b>	<b>Page 8</b>
<b>Step 5: Make tenders easy</b>	
<b>Step 6: Provide delivery support</b>	<b>Page 9</b>
<b>Step 7: Monitor and report</b>	
<b>Appendix A: Case Studies</b>	<b>Page 10</b>
<b>Appendix B: National Social Value Measurement (TOMs) Framework</b>	<b>Page 15</b>
<b>Appendix C: National TOMs measures</b>	<b>Page 18</b>

# 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, this can present a real challenge to two vital elements of our economy: small businesses (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. In 2019, the combined annual turnover of SMEs in the UK was almost £2 trillion, equivalent to over 50% of private sector turnover. Also, and crucially, most councils are reliant on SMEs' continued payment of business rates for much of their income. As such, their success is intrinsically linked to the ongoing funding of our public services<sup>1</sup>.

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.

## Definitions

Those organisations that provide services, goods or works to the public sector and are SMEs or VCSEs are 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)

<sup>1</sup> Local businesses pay business rates to councils. Councils keep 50 per cent of the business rates collected as a 'local' share. The central share is paid to government and is used to pay grants to councils including revenue support grant – the main government grant to support local authority services. <https://www.local.gov.uk/sites/default/files/documents/dont-be-left-dark-what-lo-48e.pdf>

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 we must get ourselves ready to RECOVER and REBUILD, buyers have an even more important role in ensuring that the voluntary sector and SMEs emerge successfully from the shock.

This document has been developed to provide guidance to public and private sector buyers who want to ensure that SMEs and VCSEs are not disadvantaged when Social Value is included within the procurement process and are well placed to provide the relevant services directly or as a part of a supply chain. It sits alongside an additional guide specifically written for SMEs and VCSEs who are looking to submit for work with the public sector.

**This document looks to address two key issues:**

- Public Sector Buyers - How should Social Value be included within the procurement process to ensure SMEs and VCSEs are not put at a disadvantage?
- Private Sector Buyers - Where larger businesses are delivering large contracts for the public sector, how should they engage with potential suppliers and include Social Value into contracts to ensure good engagement and use of SMEs and VCSEs within their supply chain?

**“Businesses of all sizes recognise the opportunity provided by the Social Value Act to transform the partnership between the public and private sector. Implemented well, it can ensure contracts deliver not just high-quality public services and infrastructure, but also increased investment and innovation within communities across the UK.**

**Placing social value at the heart of more public contracts can also help level the playing field for smaller businesses, who too often still face market access barriers.**

**For many of these businesses, delivering social value is a core part of their purpose and many are already making significant contributions to their local communities, but for the Act to fully deliver its promise, commissioners must think carefully when developing social value strategies and measures so that they work for all business, regardless of size and sector. And strategies to maximise this opportunity should include early market engagement, develop a tailored and proportionate response reflecting the unique abilities and resource challenges of SMEs and to work with larger suppliers to embed social value throughout public sector supply chains.**

**Taken together with the guidance laid out in this Toolkit, these steps can help ensure the Social Value Act not only means more contracts deliver for communities, but that commissioner can also help more small businesses succeed and grow.”**

Matthew Fell, Chief UK Policy Director, CBI

# 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 B and C 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)

During spring 2020 Social Value Portal carried out an on-line review of whether councils are making it easy to find relevant social value policies. The results show that only 23% have a policy available online and over 44% make no mention of any policies.

# A step-by-step guide for buyers looking to purchase from SMEs and VCSEs

There is a danger that SMEs and VCSEs will see Social Value requirements as an additional barrier to winning public sector contracts. However, Social Value should represent a potential winning advantage if SMEs and VCSEs are supported adequately.

For instance, often SMEs and of course VCSEs are already delivering Social Value but in a way that is not understood to be 'social value'. This could mean 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. Public sector buyers can help SMEs and VCSEs to 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. Buyers can help them to overcome this obstacle by making submissions as simple and easy as possible.

A new survey by Social Value Portal that reviewed social value information available on council websites shows that most councils can dramatically improve their communication and make it easier for all potential suppliers to develop a coherent and relevant social value strategy.

23% of councils have published a social value policy on their website.

44% of councils have no mention of social value on their website.

33% of councils mention social value but have no policy published on their website.

Buyers should take the following seven steps to maximise the engagement of SMEs and VCSEs through Social Value.

<b>Step 1: Develop a Social Value Policy</b>	Organisations should develop relevant policies that recognise the importance of SMEs and VCSEs within their supply chain and make it easily available for suppliers to download.
<b>Step 2: Build market capacity</b>	Organisations should identify SMEs and VCSEs in their communities that may be able to work within their supply chain and build marketplace capacity.
<b>Step 3: Design the service for SMEs and VCSEs</b>	Requirements should be designed to address local needs so as not to disadvantage SMEs' and VCSEs' ability to bid.
<b>Step 4: Market engagement</b>	Once a need has been defined, a buyer should reach out to markets in order to build project-specific knowledge and the capacity to submit bids.
<b>Step 5: Make tenders easy</b>	The procurement process itself is sometimes complex and it is important that Social Value requirements do not prevent SMEs and VCSEs submitting their proposals.
<b>Step 6: Provide delivery support</b>	After award, contract management processes should be used to ensure that Social Value is delivered and that any proposals made during the bid process are followed through.
<b>Step 7: Monitor and report</b>	It is important that SMEs' and VCSEs' spend is captured and reported to improve performance and that good practice is shared wherever possible.

## Step 1: Social Value Policy

**Organisations should develop relevant policies that recognise the importance of SMEs and VCSEs within their supply chain.**

- Provide specific guidance to commissioners and procurement managers.
- Publish your Social Value Policy and show how it links to local needs and council priorities.
- Publish your organisation's commissioning and procurement strategy, showing approaches to Social Value and development of the local supply market.
- Broker links between local organisations.
- Remember that Councillors network in their wards, so make them aware of the latest opportunities and pipeline projects so that they can promote these within their communities.
- Collaborate locally e.g. with anchor institutions to jointly address local wealth building.
- Ensure that officers are fully aware of the Social Value policies and practices and train to ensure adoption of current best practice and consistency of application.
- Ensure that a senior responsible officer has oversight of SME strategy/policy delivery.
- Review and implement best practice in Social Value from the National Procurement Strategy.

## Step 2: Build market capacity

**Organisations should identify SMEs and VCSEs in their communities that may be able to work within their supply chain and build marketplace capacity.**

- Provide online Social Value Toolkits that make it simple for all businesses, especially SMEs and VCSEs, to understand how to respond to council Social Value requirements.
- Encourage commissioners to engage regularly with SMEs, both on an individual basis and collectively, to achieve desired market outcomes.
- Organise 'meet the buyer events' or similar to help build local knowledge around Social Value.
- Facilitate relationships between SMEs/VCSEs and larger providers, helping both parties to understand the benefits of collaboration and how Social Value may be transferred along the supply chain.

## Step 3: Design the service for SMEs and VCSEs

**Requirements should be designed to address local needs so as not to disadvantage SMEs' and VCSEs' ability to bid.**

- Ensure Social Value is considered during the service delivery options appraisal.
- Identify within larger contracts/frameworks where SMEs and VCSEs may be used and where requirements can be divided into lots.
- Invite representatives from the target community to contribute to the commissioning process (through general engagement events and communication channels).
- Consider how VCSEs can inform your needs analysis that will form the basis of your Social Value requirements.

## Step 4: Market engagement

**The procurement process itself is sometimes complex and it is important that Social Value requirements do not prevent SMEs and VCSEs submitting their proposals.**

- Make sure commissioners and procurers understand the supply market for the services being commissioned and identify how SMEs and VCSEs may be able to get involved in the delivery of the service
- Efforts should be made to carry out appropriate market sounding within the SME and VCSE community.
- Appoint a lead contact for SMEs and VCSEs with the view to upskilling (vis a vis Social Value) them to participate in procurement.
- Make a conscious effort to simplify language and procedures related to the procurement process and Social Value.

## Step 5: Make tendering easy

**The procurement process itself is sometimes complex and it is important that Social Value requirements do not prevent SMEs and VCSEs submitting their proposals.**

- Buyers should publish planned procurement activities as far ahead as possible so that SMEs and VCSEs have time to consider and prepare.
- Promote opportunities through local events so companies can network or promote their goods and services.
- For larger projects, buyers should look at brokering relationships between the SME community and prime contractors.
- Publish opportunities on Contracts Finder, but supplement with local publication.
- Allow longer lead in times to enable the supply market to see the opportunity and consider their Social Value proposals.
- Clearly state outcomes and look for innovative solutions from SMEs.
- Ensure tender documents are clear and consider using the National TOMs as a means of standardising the approach to expressing and achieving Social Value. Smaller suppliers with less capacity should find it easier to hone their offer to multiple organisations if the process and terminology are similar.
- Have a clear channel to manage queries and provide support.
- Ensure that the Social Value requirements are relevant to the subject matter of the contract and that other corporate social responsibility (CSR) initiatives across the tendering organisations will not count in the evaluation.
- Ensure that there is a sufficient weighting on Social Value to make organisations realise that this issue is important to you as a buyer.
- Use Dynamic Purchasing Systems<sup>2</sup> where viable to go to market and enable SMEs to provide services.
- Use TOMS LITE to simplify processes for lower value procurements.

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<sup>2</sup> A Dynamic Purchasing System (DPS) is similar to an electronic framework agreement, with two exceptions, new suppliers can join at any time and it is to be run as a completely electronic process.



## Step 6: Provide delivery support

**After award, contract management processes should be used to ensure that Social Value is delivered and that any proposals made during the bid process are followed through.**

- For all suppliers, contract management processes should be put in place that are simple to use and keep the reporting burden proportionate.
- Provide assistance to SMEs and VCSEs in supply chains to improve their performance and apply for other work. SMEs and VCSEs that have council contracts should be given proactive assistance with issues to enable them to learn and grow.
- For prime contractors, management processes should be put in place to monitor progress and encourage proactive engagement with their own supply chains.
- Ensure there are regular meetings with SMEs that have council contracts to give feedback that helps when bidding for future work.
- Make sure whistleblowing procedures are in place to enable SMEs in supply chains to highlight poor treatment by prime contractors and to make sure they are treated fairly (e.g. through prompt payments, not passing on risks).
- Ensure that there are feedback processes in place (e.g. surveys) to obtain SMEs' and VCSEs' views when evaluating prime providers' contract performance.
- Take responsibility for ensuring that Prime Contractors are paying SMEs and VCSEs in their supply chains promptly.

## Step 7: Monitor and report

**It is important that SMEs' and VCSEs' spend is captured and reported to improve performance and that good practice is shared wherever possible.**

- SMEs' and VCSEs' spend and KPI data should be captured and analysed regularly to monitor performance and determine how engagement might be improved.
- A SME/VCSE lead should be given responsibility for setting targets and improving engagement.
- Performance on engagement with SMEs and VCSEs by the council should be reported to relevant management board members and scrutinised as appropriate.
- Prime contractors should be required to provide data on payment times to SMEs and VCSEs within their supply chains and this information should be reported to council members.
- A balanced scorecard should be used to assess the council's treatment of SMEs and VCSEs in supply chains.

**“The Social Value Act can be a powerful tool but only if public bodies especially local authorities take it seriously but the voluntary and community sector (VCS) all too often finds that there is a major gap between the stated policy and practice of public bodies it is seeking to work with. This is regrettable but demonstrates that the Act is most effective when political leaders and chief executives are clearly seen to be sponsoring social value as a key driver for procurement, contracting and partnering and as a result it shapes the behaviour and not simply the policy of a public body”**

John Tizzard, Chair, National Association for Voluntary and Community Action

# 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.

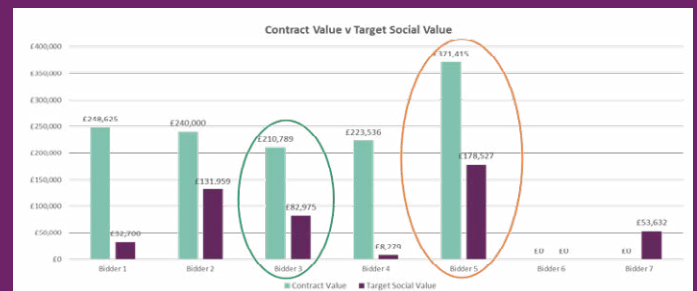


Figure 1: Social Value bids received for the Solihull 'Tills Contract'.

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.