



PARTNERSHIP



CONTRIBUTION



IMPACT



SENSITIVITY

# Social value: making procurement meaningful



INTEGRITY

Social value as a concept and requirement in public sector procurement and contracts has been around for a long time now. Many of the organisations with whom echelon works have developed some impactful initiatives that are delivering genuinely beneficial outcomes for local residents and communities.



DRIVE

Matching the offering with the ethos of the client and the local context makes the social value more authentic. For example, Johnnie Johnson Housing Trust puts a big emphasis on providing employment for ex-service people, LB Waltham Forest targets young offenders as part of their social reparation and Basildon Council's Basworx specifically recruits hard to reach youngsters and the long term unemployed and has had great success, making significant life changes for its residents.



ETHICS

GOALS



## The optimum way to consider and approach social value is to include it in part of the specification and perform a scoping exercise to identify other opportunities the supplier could offer that maximise the opportunity from the works/services that are being procured.

The simplest option is for the contractor to make a direct financial contribution, but to create real longevity and leave a legacy of lasting improvement then apprenticeships, life skills support and harnessing contractors' capacity to improve the life of residents is the key to genuine social value. Through many of the contracts we've helped to procure, contractors offer specific support to residents like mentoring, coaching, help with job applications and DIY workshops as well as supporting work experience opportunities.

However, if not done properly, social value can become something of a 'tick box' exercise. Alternatively, in some cases, even well-meaning initiatives fail to deliver positive outcomes because they haven't been developed in a way that is proportionate to, or fitting for, the service being delivered.

This is where our new credits system comes in. It was developed by echelon originally for Hyde Housing. When we began our relationship with Hyde we decided to formalise our knowledge and experience of integrating positive social outcomes into a framework to help organisations determine their social value requirements at the outset but build flexibility in, to enable these to change over the contract term. The result was our Social Value Builder.

The social value requirements are developed based on the likely value and scope of the contract, to ensure they are appropriate. Once requirements are defined, the client allocates each one points that reflect its relative priority compared with others. Through the procurement process, bidders are required to demonstrate how they will meet the minimum requirements but also have the opportunity to offer additional commitments and initiatives.

The tender evaluation is a combination of qualitative and quantitative review, which is then combined with any extra social value that bidders have offered. The successful

contractor is obliged to deliver these points of social value per annum for the life of the contract.

Things change over time, however, as the pandemic has emphasised, so to keep the social value fresh the matrix is reviewed by both parties each year. The review assesses the contractor's performance but also what initiatives are deemed to have been successful in terms of outcomes compared with those that have had less traction. Consideration is also given to any changes in local circumstances and shifting social value priorities. The matrix is then updated, to re-define the requirements where needed and ensure the allocation of priority points accurately reflects what's needed for the year ahead.

The echelon bespoke Social Value Builder encourages discussion, gives power to your social value impact and makes proportional summarisation much easier. Why not join Hyde and Sovereign, the Riverside Group, Moat Homes and many others and consider maximising your social value?

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