

The Social Value Act Requirements: More Detail

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The Social Contract – “Each Member of the Community gives himself to it, at the moment of its foundation” – Jean Jacques Rousseau, France 1762

The Social Value Act / Model - “The response addresses the social value policy outcome” UK Government, UK 2020

Your ability to access the UK public sector market (worth over £284bn) depends, increasingly, on one question: “is your Contract Social?” Jean Jacques had something to say on this...

The UK government has looked at this question in [The Social Value Model](#) and [Guide to Using the Social Value Model](#). We refer to these together below as “the Guidance”. We have commented before on the Social Value Act - [here](#). The Act requires the vast majority of public procurements to assign 10% of the overall bid evaluation score to a bidder’s social value proposal. Markets are very competitive so performing well on this emerging aspect is often likely to mean the difference between winning and losing core business. It will have a huge impact across all areas of public spending, acting as a key gateway requirement to accessing the £>284bn public sector market.

The new Guidance provides helpful commentary on the application of the Social Value Act in tenders. It sets out the three key aspects of social value as economic (for example, employment or training opportunities), social (for example, activities that promote cohesive communities) and environmental (for example, reductions in carbon emissions). We outlined the five themes of the Social Value Model in our previous article: Covid-19 recovery, tackling economic inequality, fighting climate change, equal opportunity and wellbeing.

Across the five themes the model also sets out eight policy outcomes. There are framework Model Award Criteria and Sub-Criteria, Model Evaluation Questions and Model Response Guidance. We expect these will be applied in a large proportion of procurements. There is some flexibility, but public sector authorities (and therefore tenderers) will need to link their social value requirements and contributions to the policy outcomes with a “clear ‘golden thread’”.

In a deviation from early attempts to quantitatively assess social value (see further below), the model requires an assessment of the quality of the social value offered by a tender, meaning that tenders are to be evaluated qualitatively on a scale from “Excellent” to “Fail”.

So what is the difference between an “excellent” social value contribution and a “good” one? The guidance states that the criteria for an “excellent” score are met by a response that “exceeds what is expected for the criteria” and “leaves no doubt as to the capability and commitment to deliver what is required”. Further, this entails:

- a very good understanding of the requirements;
- excellent proposals demonstrated through relevant evidence;
- considerable insight into the relevant issues;
- the response is likely to propose additional value in several respects above that expected; and
- the response addresses the social value policy outcome and also shows in-depth market experience.

None of this helps a lot. Previously Government's approach had relied more heavily on a different methodology - [TOMS](#) - which provides a consistent and quantitative method of scoring social value based on 20 Core Outcomes and 48 Core Measures. If you are a public sector buyer the issue, looking forward, will be: which model do you use? How do you drive performance, core outcomes, social value and policy outcomes in a balanced and proportionate manner? How do you do so in a robust and objective way which mitigates the risk of challenge?

If you are a supplier, how do you win? How do you maximise your score, your social and environmental impact without undue dilution of your economic return? Put another way how do you achieve a “win win” for all your stakeholders?

In our experience, the win here will increasingly involve a deep understanding of underlying policy objectives, the corporate social value proposition and a very precise response to delivering real value. Corporate “woke washing” and green washing statements won't cut it. Specific, Measurable, Achievable, Realistic, Timely proposals will, especially where they are coupled to market differentiation and innovation. That in turn increasingly requires deep social and environmental expertise and, often, bid partnering with disrupters and innovators who understand the space and themselves garner positive credit through their SME and social credentials. This is not simple but there are more than £284 billion reasons why it may be worthwhile!

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