



SME Public Sector Procurement – A Focus on Social Value

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Introduction

Essex County Council (ECC) is committed to delivering it's Everyone's Essex Strategy and the Levelling up Agenda. Through this document we aim to offer guidance to Small Medium Enterprises (SMEs) to better understand how they can commit and deliver social value through public sector tenders which actively supports these agendas.

What is Social Value

Social Value

Social Value became part of public procurement through the Public Services (Social Value) Act 2012 which came into force in January 2013. It requires all public sector organisations (and their suppliers) to look beyond the financial cost of a contract and take into consideration how the services they commission and procure might improve the economic, social, and environmental well-being of an area*.

In practice it means considering how your business delivers the service, goods or works that also positively impacts on local jobs, businesses, communities, and the environment.

Examples could include;

- reducing car miles driven,
- employing an apprentice or care leaver,
- offering work experience placements etc.

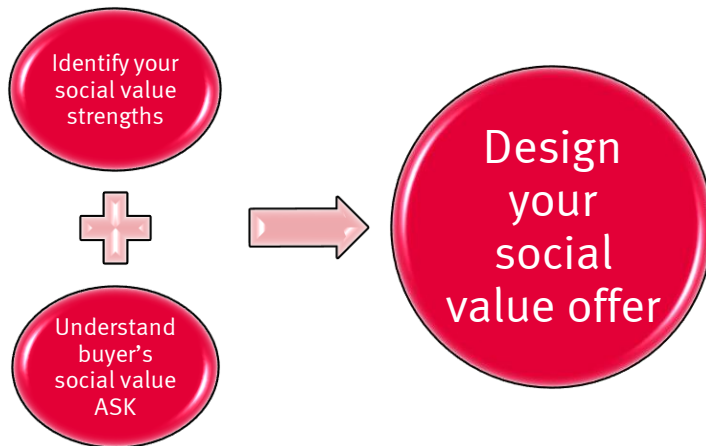
If you wish to win public sector contracts, increasingly you will need to score well in questions about your 'social value' during the tender stage and then be able to deliver your commitments along the life of the contract.

Where to start

Knowing where to start on social value as part of a tender process can often seem like a challenge. However, many small and medium-sized businesses, social enterprises and community and voluntary organisations already generate additional social value to their local communities, so in some cases it's about translating what you're already doing, or will do more of, into a tender.

* [Social value – achieving community benefits | Local Government Association.](#)

Here are three steps to consider when preparing your organisation to bid:



Step 1: Identify your social value strengths. Before looking for tenders, prepare yourself. You are probably adding value to the place you operate and surrounding communities already. Look at your own business attributes, the way your organisation operates, your goods and services.

Check-list questions:

- How does your business impact local wellbeing? Social, economic, environmental?
- What is part of your organisation's DNA? Do you already have some social responsibility, sustainability practices in place?
- How many of your workforce live locally? How much of your supply chain is with local suppliers?
- How many volunteers are you engaging?
- Are you engaged with local community projects? Are you engaged with local schools and colleges?
- How could you introduce climate and environmental initiatives?
- Are you already communicating your social value to the market and local community?
- Do you showcase what you are doing?
- Do you communicate using some social value narrative/measures/metrics?

Step 2: Understand the buyer's social value ASK. While choosing a public contract to bid for, it is important to investigate what buyers are asking for in terms of Social Value. It varies among Public Authorities and between contracts.

Ways in which you can do this is by looking at factors such as:

- The buyer's general guidance and information regarding Social Value. They are in the format of SV Statements, SV ASKs, SV Policies, Procurement Policies and/or SV Calculators. Most local authorities publish their social value requirements on their website as well as including specifically as part of tender documentation.
- Understand councils 'local needs' to identify specific priorities in your area and how your offer could address them
- Look at the tender documentation, not every buying organisation has the same approach to social value so familiarise yourself with the ask
- If in doubt, ask for clarification from the buying organisation
- Attend 'Meet the Buyers' events, which give you an opportunity to meet buying organisations, where applicable, to understand further buyer requests
- Ensure you understand the social value methodology in the tender, the quantitative and qualitative criteria, units and metrics of measurement

Step 3: Design your social value offer. Now that you know your strengths and what the buyer is looking for, it is time to design your social value offer following the 'tender language'. Tips for this include;

- Taking time to develop your social value offer. Every social value offer is an upfront commitment you'll be expected to deliver against this commitment if you win the contract
- Prioritize the social value practices that are already part of your organization strengths
- Making your offer proportionate and relevant to the contract matter. Ensure you select social value practices and amounts which are contract specific – for example: quantity in units, hours, money invested, full-time equivalent. It is not your full corporate social responsibility nor all your sustainability practices
- Ensuring not to over commit as if you win the contract, you must be able to deliver your social commitments.
- Partnerships with local organisations can help you plan and deliver your social value offers
- Identify which services/goods you aim to deliver through this contract
- Look at the organisational processes/resources that would be allocated in order to deliver these service/goods:
 - Would you need to hire workforce in order to deliver this contract? Could they be local or from specific cohorts?
 - Would you need to train/upskill the allocated workforce for contract delivery?
 - Who are the suppliers you would assign in order to deliver this contract? Are they local? Could they be local?
 - Is it relevant to this contract to allocate time and investment of your volunteering/ engagement practices with the community – schools - colleges? How much would be relevant for this contract?
- Ensure your social value offer follows the correct metrics of buyers' social value methodology. Answer the question that has been asked at the tender documentation.

- Ensure you are able to demonstrate to the buyer that you have the capacity and capability to deliver the social value commitments you are offering. Include evidence and explain how you are proposing to deliver
- Plan in advance how you would monitor your social value delivery and communicate this in your tender response. Social value commitments will form part of the contract.

Social Value at Essex County Council

Social Value is about delivering more for the public pound by requiring our suppliers to do more than 'just' deliver the core services. At ECC, social value criteria are included in tenders over £100K and it can take up to 20% of the evaluation weighting.

Like many Councils across the country, Essex County Council has adopted the Local Government Association's National Social Value Taskforce 'National Themes, Outcomes and Measures' method of classifying and evaluating social value (frequently referred to as the 'National TOMs') and adapted them to the County's context and priorities. We refer to the set of measures used by Essex County Council as the 'ECCTOMs'

This approach comprises:

- a) A set of Social Value 'Themes' and 'Outcomes' (a list of different types of social value).
- b) A set of 'Units' that apply to the 'Measures' for each of the Outcomes, used to compare Tenders on a like for like basis.
- c) A set of financial 'Proxy values': each Unit offered is assigned a Proxy value. This enables the Authority to calculate the Total value to the Authority of contributions offered by Bidders.

ECC then evaluates Social Value in two parts, which, when combined, result in one overall Social Value score:

- Part A: Value Score (ECC TOMs Calculator)
- Part B: Social Value Supporting Statement

Visit the [Social Value Catalogue](https://www.essexproviderhub.org/social-value-catalogue/) (<https://www.essexproviderhub.org/social-value-catalogue/>) to deep dive into ECC's social value methodology and access additional guidance and examples around the ECCTOMs. Highlights of sections developed specifically for you:

- [Social Value at Essex County Council](#): ECCTOMs and detailed guidance for Bidders.
- [Small Businesses, Social Enterprises and Voluntary Organizations](#): guidance for bidding for public sector contracts considering the social value opportunity (link to external resources)
- [Exploring the Social Value Themes](#): resources and case studies for each social value themes and outcomes.
- [Employment and Skills Development](#): comprehensive guide with Factsheets for each social value measure highlighting opportunities to support you as employer and maximize job creation and skills development in Essex.

Further help and advice

- <https://www.essexproviderhub.org/social-value-catalogue/>
- <https://www.ukbidwriter.com/2016/09/what-is-social-value-and-how-can-it-give-smaller-companies-the-edge-when-tendering/>
- [Social-Value-Easy-Guide_For-SME-VCSE_July-2020-1.pdf \(socialvalueportal.com\)](#)

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Essex County Council

Contact us:
procurement.team@essex.gov.uk

Procurement Department
Essex County Council
County Hall, Chelmsford
Essex, CM1 1QH



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