



The term **Social Value** has become more prevalent and is the future of doing business. It is a great way to ensure that the public spend is effective and some would say that if we are not making a difference with our spending then we probably aren't doing the right thing.

Social Value

What is Social Value?

- The quantification of the relative importance that people and communities place on the changes they experience in their lives. The measurement of social value should be based on the perspective and impact upon those affected.
- Social value offers huge potential to change the way we understand the world around us and make decisions about where to invest resources to deliver greater quality and better outcomes for all.

Social Value in Procurement

“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 wider benefit gained by a local community from the delivery of public contracts. This can be the community as a whole, disadvantaged individuals, minorities, businesses and VCSEs, as well as the environment through the better spending of public money.”

Benefits of embracing Social Value

- Has the potential to release millions of pounds of public money for community benefit. It encourages smarter spending to not only deliver a proposed service but also address social, economic, and environmental issues in the local community
- Increases local spend by rewarding organisations that are local or who have a local supply chain, especially SME's and social enterprises
- Increases opportunities for disadvantaged people and promotes social mobility
- Yield positive medium to longer term outcomes in a cost and resource-efficient way
- Social value is a journey and at times it feels like we aren't making progress
- But there is a fresh momentum building
- In the UK, social value is linked closely to driving growth, a more inclusive growth
- We can do more with the money we spend – including social enterprise and delivering social value can be “first line of defence” (Draft budget spend)

How NI compares to other parts of the UK

- England – Public Services (Social Value Act) 2012
Became law March 2012
Came into force January 2013
Further updated PPN 06/20 September 2020
- Scotland – Procurement Reform (Scotland) Act 2014
- Wales – Wellbeing of Future Generations (Wales) Act 2015



Key Sector Procurement Barriers in NI

- NI complies with the same UK statutory obligations as England and Wales but not a consistent approach as to local application
- NI is only region in the UK without a Social Value Act or equivalent
- Therefore, no legal obligation to consider social value in procurement
- Social value clauses are discretionary but not effectively policed
- Don't go beyond Central Government – Councils, Universities, ALB's
- Though some councils are working on delivering social value
- NI is the only region of the UK not to actively promote Reserved Contracts while they appear in the UK Public Contracts Regulations adopted by NI
- Commissioners not aware of or encouraged to use this option
- SE sector could benefit significantly from a wider application of these arrangements in line with the rest of the UK
- The Public Contracts Regulations (PCR) 2015 allow for support of social enterprises
- Procurements below £30k would be an opportunity for SE sector
- Little evidence of "Light Touch" procurement process as per PCR

The Way Forward

- Development of a Transformation Academy, independent of CPD and in partnership with academia to invest in training and development of "intelligent" public service commissioning.
- Innovation Partnerships approach to Commissioning and Procurement
- Social Value Act for NI to be brought forward.
- Actively promote Reserved Contracts
- Strategy for Social Enterprise in NI signed off by Central Government and Political Parties



In Conclusion...

- £3bn of public sector spending in NI needs to take account of supporting local and social
- All UK jurisdictions share the same set of PCRs however interpretation, policies and best practices around social value is varied – disadvantage to NI
- Move from a short-term solution to addressing long term issues, to a more focused and collaborative response. Look to develop Social Partnerships
- Help NI Commissioners to be trained with the tools and techniques to implement real and meaningful social changes, similar to UK colleagues
- Align NI with the rest of the UK

DON'T SPEND MORE, SPEND DIFFERENT- CREATE REAL IMPACT

