

Social Value 2032: Measurement

Key points from roundtable discussion

1. Principles-based measurement

There was a consensus at the roundtable that although social value will always include an element of subjectivity, it is important that measurement is based on shared principles, particularly the principle of considering social value from the perspective of the service-user and community.

These principles will ensure that we focus on the change that is being made to stakeholders in the community.

Social Value UK's [Principles of Social Value](#) were cited as an example of this approach to principles-based social value measurement.

2. Embedding measurement and audit into the social value process

A challenge to effectively measuring social value is the short timeframe involved in the tendering and bidding process, which makes it difficult for effective targets to be set and good processes created for auditing the social value that is proposed. The gap in audit was noted by a number of participants and threatens to undermine confidence in social value if promises are not kept.

A longer-term approach to implementing social value would enable the development of collaboration and partnership between organisations as well as the public and private sectors. This collaboration can also enable the development of mechanisms for generating social value that would not previously have been considered. The [GMCA/SUEZ waste and resource management services collaboration](#) and the development of Re-use initiatives were cited as examples.

Rushed processes also mean that in some cases stakeholders that should be consulted on social value are not being appropriately considered.

There are particular concerns within HM Government about the need to ensure that social value is tangible, and that the public sector can track the impact of spend. There was also a desire to be able to differentiate between the experiences of different people within a community, recognising that impact will not be experienced equally.

3. Flexibility in measurement needed to allow for innovation and focus on outcomes

There was agreement that for social value to be maximised there is a need for flexibility in the measurement of social value and a focus on outcomes, rather than stipulating outputs.

There also needs to be flexibility in measurement so that it is proportionate and does not place undue burdens on SMEs and social enterprises.

We also need to consider that social value is not merely a procurement issue, but should also cover a broader range of activity including planning and development. We need to have a measurement system which is capable of flexibility to cover different types of activity.

4. Supply chain development is important to support supply chain of SMEs/SEs that can implement social value

It was noted that implementing social value depends upon a strong supply chain of social enterprises, voluntary organisations and SMEs that have the means to effectively generate social value.

In some cases, more needs to be done to capacity build with social enterprises and SMEs to better understand the value that they can create and understand the market for social value delivery.

5. Leadership at the top of the commissioning bodies and providers is essential

A barrier to successful implementation and genuine engagement was the lack of a supportive boardroom culture, both from public bodies commissioning and procuring for social value and organisations bidding for contracts. Strong leadership will see social value measured across the business and across the public sector, which will further drive implementation and change.

Organisations, such as [STAR Procurement](#), which have been successful in implementing social value, have had to demonstrate strong leadership to encourage the market to move in the right direction. More needs to be done to encourage leaders within organisations to agitate for change.

We also need to clarify the difference between ESG and social value, so that boards (particularly in the private sector) can understand the difference between ESG (creating structures to improve environmental and social impact as well as governance) and social value which is a method to implement ESG. Social value can be a practical way for businesses, which are increasingly focused on impact, to demonstrate change.

Leadership is important to define what social value is and what it is that we are seeking to achieve through its implementation.

HM Government's new National Procurement Policy Statement and Social Value Model has left the public sector with nowhere to hide and will drive further activity in implementing social value. There was, however, a residual concern about potential risk aversion within the public sector holding back potential growth in the use of social value in the future. Effective measurement can boost confidence and help to overcome risk aversion.