

Social Value 2032: Supply Chains & Investment

Key points from roundtable discussion

1. Demand for socially and environmentally responsible goods and services

There was a consensus that public bodies and private companies are increasingly looking to decarbonise their supply chains and make them more socially responsible.

The demand to buy goods from SMEs, social enterprises and organisations which can generate social value is out there in the marketplace, but we are only scratching the surface of what can be achieved. The demand for these organisations will only increase in the years ahead as organisations adapt to wider social concerns.

2. We need a 'proactive' strategy

There was agreement that at present the approach to supply chain development has been 'reactive' and 'short term', responding to pressures such as commitments on Net Zero or legislative change such as the Social Value Act.

What is needed going forward is a commitment to long-term social value creation and supporting the development of businesses (new and existing) which can meet the demands for environmentally and socially sustainable goods and services.

This will require a long-term 'proactive' strategy to achieve change, bringing together public policy to support the growth of organisations that can deliver social value, private businesses to buy from social value-creating organisations, and investors who can provide the finance to help those organisations to meet demand.

Higher tier contractors and public bodies have a key role to play in setting out their long-term pipelines as well as outlining their aspirations for social value so entrepreneurs and the market can adapt their strategies accordingly. New businesses (and existing organisations) will take several years to gear themselves up and we cannot expect immediate results.

3. Investors have a key role to play in building more diverse supply chains

Those that wanted to buy from social value-creating businesses and social enterprises present both agreed that finance had a key role to play in helping to bridge the gap between supply and demand.

Social enterprises want finance to meet demand but they are not receiving that finance in the right forms (particularly equity and flexible finance), as referenced by research such as the independent [Commission on Social Investment](#). There is an appetite to work collaboratively between buyers and investors to create the right tool to support businesses, but it will require new ideas and energy to take these ideas forward.

4. We need greater information sharing to replicate models that work

SUEZ referenced their work in partnering with community reuse centres as an example of trying to shift their supply chain to generate more social value, but there is not an even spread of these organisations across the country.

We need to do more to support ideas that have been shown to work in one locality or community and spread that information to other places where there are gaps. This replication will speed up the development of robust social value-creating businesses and social enterprises and help to close the gap between supply and demand.

5. Local authorities and combined authorities' leadership and brokerage role

Bringing together buyers, investors, social enterprises, SMEs and other stakeholders together will require leadership. There was a view that local authorities/combined authorities are well placed to provide it, using their convening and brokering role to bring different stakeholders together.

The West Midlands Combined Authority has developed an Inclusive Economy Strategy which includes social value, and supply chain development could be part of that vision. Greater Manchester Combined Authority has also undertaken significant work to improve the use of social value and to bring local stakeholders together.

National government also has a role to play in supporting the development of this work, and the Cabinet Office's Social Value Model has specific references to supplier diversity which can be built upon.

6. Social value still uneven in implementation

Both those organisations that want to embed social value in their supply chains and social enterprises present referenced that implementation of social value was still uneven despite the passage of the Act. More needs to be done to ensure that awareness of social value is there and that this is made a strategic imperative and not a tick-box exercise.

Social value needs to be seen in the wider context of shifting towards a model of "stakeholder capitalism" where companies are encouraged to consider wider social and environmental impact.