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# ACKNOWLEDGEMENTS

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FOREWORD

With sustained political uncertainty it is, of course, easy for decision makers to lose sight of the levers they have to bring about the economic opportunity we so desperately need to see within our communities and across our country.

At a time of wage and productivity stagnation, unacceptable and spiralling inequality, amid a divisive and chronic housing crisis and with new challenges stacking up on the horizon it is imperative that public procurement helps shape the shared society and inclusive growth the government says it wants.

The way in which our tax money is spent has the potential to encourage, reward and incentivise better business practices, share prosperity and reward those businesses that nourish and build our communities, train and skill the UK workforce, pay fair rates of tax and help us to achieve our broader global commitments.

Chris White, when serving as an MP, recognised the opportunity that public procurement presents and with the support of Social Enterprise UK, skilfully guided his Private Member’s Bill onto the statute book. This was an important step forwards on the journey of using the government’s vast supply chain to achieve better value for money and more public good than had been achieved before.

We’re now 5 years into applying a social value lens to public procurement and there is no doubt about the innovation and social benefit that this created. Given the current and imminent challenges our country now faces, there is little time to waste in exploring how best to further the social value agenda. Chris remains as committed as ever to ensuring that every tax payer pound is used to get ever-better public value. We, at Social Enterprise UK, are delighted to have commissioned Chris and supported his exploration of how the Act has been used thus far and what is next for the whole concept of social value.

Lord Victor Adebowale
Chair, Social Enterprise UK
When the Social Value Act became law at the start of 2013, it was largely charities and social enterprises which greeted it with open arms and viewed it as an opportunity – in short, to change how public sector money could be spent to secure wider value, not just cheapest price. Just five years later, we are in a completely different landscape, and social value (and the Act) is no longer of interest to just one sector; and nor should it be.

Instead, social value is getting to the heart of our thinking and planning as a country. The only way we will overcome the biggest problems we face is through using the resources we have more effectively. It doesn’t matter whether you think Brexit is the biggest challenge, or a lack of investment in cities outside London; it could be that you think jobs is the challenge of our age, or housing should be top of our national priorities. Whichever it is, social value needs to be at the centre of our thinking.

- Imagine a new permissive set of post-Brexit procurement rules that deliberately sought to create opportunities and investment in the areas that have been most left behind.

- Imagine Liverpool, Manchester, the West Midlands and other devolved areas using the power of procurement to achieve wider social and economic goals.

- Imagine every single pound of investment in infrastructure resulting in the creation of jobs and opportunities for those who wouldn’t otherwise get the chance.

- Imagine housebuilding and planning that takes account of the whole community, and creates places that we all want to live in.

All of this is possible and far from unattainable. But to achieve it, it requires shifting our idea of social value beyond a ‘nice to have’, or something that people assume will cost more. In fact, the opposite is true: it is essential and it saves money.

In 2015, Lord Young conducted a review of the Social Value Act. He concluded that more evidence was needed if it was to be extended and strengthened. He also identified several barriers to be overcome. These barriers have now largely been addressed: awareness and adoption of the Act is increasing exponentially; thresholds and European legislation are no longer seen as walls to hide behind; councils are applying the Act to goods and works; and consensus on measuring social value is arriving.
We estimate social value is already shaping £25bn worth of public sector spend - delivering training, apprenticeships, improving the environment, supporting local businesses, supporting charities and social enterprises, supporting British Steel manufacturers, helping people with disabilities into work, employing ex-offenders, tackling homelessness, reducing food waste and more. In short, the taxpayer is getting more for their money.

Yet the Act is still only scratching the surface of what is possible. The public sector spends around £268bn annually. Extending the Act to cover all public-sector spending would generate more than ten times its current impact.

Placing social value at the heart of a conversation about how the country spends its money has never been more necessary, relevant or timely. We need to do this to meet the challenges we face; and no government of any colour will achieve its objectives without using the power of public spending to deliver on apprenticeships, employment, healthcare, investment or building an inclusive economy for all.

This report shows what is already possible through case studies, examples, evidence, research and recommendations for action. It demonstrates what is possible when social value is embraced: stronger communities, cost savings, improved outcomes and increased employment. It is imperative that we act now to replicate, scale and build on this progress to put social value front and centre, not as an afterthought.
A) INTRODUCTION
Since the introduction of the Public Services (Social Value) Act in 2013, there has been growing interest in the concept of social value from Parliamentarians, think tanks and policymakers both in terms of the impact of the legislation and its, as yet, unrealised potential. Without exception, organisations that have got to grips with the idea of social value have called for the Act to be strengthened.

As the review into the Act, carried out by Lord Young, found: “social value can deliver a positive impact in achieving better value for money.”

In February 2017, at Social Enterprise UK’s Social Value Summit, the then Minister for Civil Society, Rob Wilson, announced a further review of the Act because, as he put it, the government was “committed to a public sector that is a catalyst for innovation and gets much more social impact for every single pound it spends”.

The Social Value Act is a rare beast: A Private Member’s Bill that not only became legislation, but has been reviewed formally by a government department less than two years after it made its way onto the statute book.

1 Lord Young’s Review of the Social Value Act, and see also Communities Count (SEUK, 2014) which found that over half of local authorities and housing associations found that taking a social value approach resulted in cost savings.
The Government’s review looked at barriers to implementation and whether it would be sensible to extend the scope of the Act. It decided against it but identified three key barriers to implementation:

1. **Awareness** and take up of the Act is a mixed picture.

2. Varying understanding of **how to apply the Act** can lead to inconsistent practice, particularly around:
   - Knowing how to define social value and how and when to include it in the procurement process
   - Applying social value within a legal framework and procurement rules
   - Clarifying its use in pre-procurement.

3. **Measurement** of social value is not yet fully developed
   Lord Young recommended that these barriers should be addressed, and that progress of the Act should again be looked at in another two years.

**B) SOCIAL VALUE SINCE 2015**

It is safe to say that the Act operates in a very different environment today from when the 2015 review took place. The advent of Brexit and the outcome of a general election have changed the dynamics of domestic politics. For example, in the foreword to his review, Lord Young made a recommendation on the financial threshold over which the Act applied in the light of changes in EU law. Brexit may now utterly transform the context of procurement law.

Some recent changes in European laws have already given commissioners more flexibility; the Public Contracts Regulations 2015, the Utilities Regulations 2016, the Concessions Contracts Regulations 2016 and the Public Procurement (Amendments, Repeals) Regulations 2016. Taken together these laws give commissioners greater freedoms.

Alongside Brexit, the current Government has committed to pursuing a ‘Modern Industrial Strategy’. This has procurement at its heart - indeed, the Industrial Strategy Green paper talks of “supporting economic growth through better procurement - the balanced score-card”, and pillar 5 of the draft industrial strategy is entirely focused on procurement.

In this way, the Government is building on good practice already adopted in major infrastructure programmes such as Crossrail - by encouraging those buying goods and services to take account of social and economic factors when designing procurement policy. This will also help UK-based suppliers compete effectively for government contracts throughout supply chains, encourage innovative solutions, and maximise the positive impact of public procurement.

Meanwhile, the Policy and Procurement Note on steel in major projects 11/16 (December 2016) takes a significant step towards embedding social value principles in employment. Indeed, the note widens the

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2 Recent welcome changes to EU law have raised the threshold for contracts to be advertised in the OJEU dramatically, from €134,000/£207,000 to €750,000. This contained an unwelcome side effect however, as the application of the Social Value Act is tied to that threshold, meaning that upon implementation of the change, the Act would cease to apply to the vast majority of public service contracts….I think this is quite the wrong direction of travel for the Act, and so I have asked the Minister for the Cabinet Office to enact an amendment of the Act…so the current threshold remains until further legislation might be able to prescribe a new level. (Social Value Act Review)
scope of incorporating social value in goods and works considerably beyond steel: “Whilst this guidance is specifically in relation to the procurement of major projects involving steel, the key principles are relevant to any major procurement project involving materials, to which it could also be applied.”

Government guidance since Lord Young’s review has consistently encouraged the public sector to apply social value beyond the letter of the law. For example, Best Value statutory guidance published in March 2015 stated: “Authorities can…apply the concept of social value more widely than this and this Guidance recommends that authorities consider social value for other contracts (for example below the threshold or for goods and works) where it is relevant to the subject matter of the contract and deemed to be beneficial to do so.” The Crown Commercial Service now has a publicly available social value policy3, outlining how social value is embedded through its work.

Below the national level, local authorities and other public sector agencies have been at the vanguard of social value in recent years. The evidence is building. Two recent research reports, Procuring for Good (2016) and Healthy Commissioning (2017), looked at the use of the Act in local government and the NHS, based on Freedom of Information requests.

Procuring for Good found that a third (33%) of councils make good use of the Social Value Act, routinely considering social value in their commissioning and procurement activity, and that one in four (24%) had a social value policy in place. The most advanced councils were drawn from every tier and of every political composition, demonstrating that there are no insurmountable barriers to the use of the Act.

The research also looked at whether the application of the Act was limited to the Design of tender, or whether tenders were scored on social value. Typically, councils that weighed for social value attached 5-10% of the total marks on that basis while some were scoring up to 20% and in some cases 30% for social value. The research also asked whether the Act was considered a cost or a burden by local authorities. Those that used the Act confirmed that it was not considered a cost, building on previous research which suggested it actually delivered savings.

Healthy Commissioning looked at the use of the Act by Clinical Commissioning Groups (CCGs) in the NHS, and whether emerging NHS Sustainability and Transformation Plans referenced the Social Value Act. 13% of CCGs demonstrated “highly committed, evidenced and active use” of the Act.

At the same time, measurement of social value has significantly advanced and become more sophisticated. Social Value UK and Social Enterprise UK have been running the Social Value Academy to improve implementation and understanding, assisted by organisations such as the Social Value Portal and Scape who are building more consistent frameworks.

Finally, almost every organisation that has looked at the Act and its potential in any depth is recommending the extension, strengthening and widening of the scope of the Act. These organisations come from across the economy and from very different perspectives:

The Centre for Social Justice (CSJ) has supported strengthening the Act and giving equivalent financial and social value weighting when awarding contracts, recommending that the Social Value Act should be: “revised so that commissioners are obliged to consider social value when buying all goods and services at the pre-procurement stage”.

The House of Lords report also noted that “In practical terms, use of the Social Value Act is now common within the public sector. However, this generalisation obscures significant variations within the distinct elements of the state’s commissioning and procurement activity.”

Now called Labour Business

Power to Change, a foundation that supports community business, recently explored social value and recommended extending the Act beyond goods and works, lowering the threshold at which it applied, and placing a stronger duty on commissioners.

The House of Lords Select Committee (2017) on the future of charities also supported a stronger Act, saying: “We recommend as a first step that the Government requires public sector commissioners to ‘account for’ rather than merely ‘consider’ social value. We further recommend that the Government sets measurable targets for the use of social value in commissioning and outlines the steps it will take if those targets are not met”.

The National Advisory Board of the Global Steering Group for Impact investment’s report in October 2017 which proposed a minimum 20% social value weighting to all contracts.

The Social Economy Alliance, which brings together a range of social enterprises, charities, housing providers and social investors, recommended “Government can strengthen and extend the Social Value Act to goods, works, planning, assets and insist that public budget-holders not only consider wider, long-term social value but account for it too”.

HCT Group, a leading transport social enterprise, published The Social Value Act – Six Steps to fulfilment which recommends strengthening the language of the Act, ensuring social value commitments are delivered on, and addressing social value in the Green Book.

The Society of Conservative Lawyers, in their pamphlet Public Procurement after the UK’s EU departure, agreed: “The UK’s departure from the EU affords a significant and welcome opportunity to introduce new public procurement rules with an Anglo-Saxon emphasis and UK-centric approach… The terms of the Public Services (Social Value) Act 2012 should be widened to stress the importance of social, economic and environmental wellbeing in both the selection and award criteria and to cover goods, services and work contracts” and “the scope of the 2012 Act … should apply throughout the procurement process and operate as a key selection and award criteria.”

The Society of Labour Lawyers in their document A Socially Responsible Procurement Policy published with the Labour Finance and Industry Group, commented: “…we recommend that the Public Services (Social Value) Act 2012 should be amended (a) to clarify the non-economic criteria that can be considered in local government procurement, (b) to extend the Act to cover supply and construction contracts, and (c) to apply it to all public contracts which are subject to the EU procurement rules regardless of whether they are above or below the applicable EU threshold.”

The 2017 Liberal Democrat manifesto stated: “Enable central and local government to prioritise employee-owned and community-benefit companies in awarding procurement contracts by strengthening the Social Value Act.”

The 2017 Co-operative Party policy platform said: “A strengthening of the Social Value Act, in order to give local and regional government the tools they need to generate sustainable local wealth, is also urgently required.”

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4 The House of Lords report also note that “In practical terms, use of the Social Value Act is now common within the public sector. However, this generalisation obscures significant variations within the distinct elements of the state’s commissioning and procurement activity.”

5 Now called Labour Business
C) SOCIAL VALUE IN OTHER COUNTRIES

England is far from the only country thinking about how to get the most value from procurement. The trend towards including wider social, economic and environmental considerations in procurement is growing in other countries too.

Scotland

The Scottish Government undertook a rapid evidence review before it embarked on public procurement reform, learning from the original Social Value Act. The Procurement Reform (Scotland) Act 2014 provides a national legislative framework for sustainable public procurement and introduces the notion of “community benefits” (section 25 of the Act) as contractual requirements – which in many ways is stronger than the Social Value Act.

Wales

Building on previous work from 2012, the Welsh Assembly strengthened their own Community Benefits Guidance in 2014 which supersedes the Social Value Act in most instances in Wales. The aim is to deliver maximum value for the Welsh pound through incorporating Community Benefits into contracts and framework agreements within public procurement.

Jane Hutt, Welsh Minister for Finance, explains how “We have shown that good public procurement can drive efficiencies and make an enormous difference to the social, economic and environmental wellbeing of Wales. Providing opportunities for employment and training to disadvantaged individuals not only transforms their lives but can also have a positive effect on their families and particularly children, as well as the wider community.”

Northern Ireland

Social clauses have been in use for some time in Northern Ireland, including in construction contracts. These have often focused on employment and training requirements, such as apprenticeships and providing placement opportunities for the long term unemployed. The Northern Ireland Programme for Government for 2011-15 committed to including social clauses in all services, works and supplies contracts.

India

The provincial Government of Karnataka (with over 30 million citizens) in India has been working on modifications to existing procurement law to incorporate elements from the UK Social Value Act. In 2017, the President of India approved an amendment to the Karnataka Transparency in Public Procurement Bill new law which reserves over 20% of contracts for disadvantaged groups.

Germany

Since 2009, social and ecological criteria have been more widely taken into account in public procurement in Germany. In some cases, this only extends as far as paying a minimum wage and compliance with ILO standards, while elsewhere it includes other social criteria that aim to integrate disadvantaged groups into the labour market, the purchase of certified Fair Trade goods, the advancement of women

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6 http://www.nicva.org/sites/default/files/7content/attachments-resources/cee_social_clauses_2013.pdf
8 http://www.g20inclusivebusiness.org/sites/default/files/reference-attachments/Preferential%20public%20procurement_for%20web_final.pdf
France
In France, social or environmental criteria can now be included in the public procurement process in order to pursue sustainable development objectives. This includes measures to support the integration of persons previously excluded from the labour market, and the protection of the environment. Paris, for instance, has a responsible procurement policy which gives preference to Fair Trade certified cotton, now worn by one third of its uniformed agents.

Canada
Prime Minister Trudeau recently instructed his incoming Minister of Public Services and procurement to “Modernize procurement practices so that they are simpler, less administratively burdensome, deploy modern comptrollership, encourage greater competition, and include practices that support our economic policy goals, including innovation, as well as green and social procurement.” This included specific reference to increasing the diversity of bidders on government contracts, in particular businesses owned or led by Canadians from underrepresented groups, such as women, Indigenous Peoples, persons with disabilities and take measures to increase the accessibility of the procurement system to such groups while working to increase the capacity of these groups to participate in the system.

Barcelona
Every year Barcelona City Council awards contracts worth over €500 million. The Council has introduced a social procurement guide which focuses on how tenders can support social inclusion, diversity and gender equality. The Mayor of Barcelona, Adu Colau, says “We want Barcelona to be a benchmark city, which guarantees equal opportunities for all, along with social and environmental rights. This is an example of democratic participation and aims to build an innovative and more humane city, where economic activity has a social responsibility and public investment helps foster a fair and balanced society.”

ISO 20400
ISO 20400 is the first international guidance standard on sustainable procurement. It provides an understanding of what sustainable procurement is, how sustainability impacts the different aspects of the procurement activity and how to implement sustainable procurement practically. It provides a basis for an effective integration of sustainability (environmental, social, economic) concerns into the procurement activity and supply chains.

Significantly, ISO 20400 is not a government-led initiative. Rather it is the work of organisations and businesses across 52 countries, recognising that social, economic and environmental sustainability is moving up the agenda. In addition to this, the British Standards Institute is developing a standard for social value with representatives from across sectors.
D) SUMMARY: THE STATE OF PLAY

What the last two years makes clear is that we are now in a position to respond to the three main barriers outlined by Lord Young, and demonstrate progress:

**Awareness** - awareness of the Act has risen significantly, and not just among those agencies to whom it applies, but also in terms of its potential. A quarter of councils have a specific social value policy, and a much wider number of local authorities and clinical commissioning groups reference the Act in their procurement processes. A third of social enterprises whose main source of income is the public sector have seen more mentions of social value in tender documents in the last year.

**Understanding and Implementation** - understanding of the Act across all sectors has increased; from central government (with the support of the Crown Commercial Service) to the private sector; from small district councils to large infrastructure projects. A third (33%) of all councils routinely consider social value across their procurement and commissioning policies, with a further 45% of councils following the letter of the law with the Act. More and more commissioners are applying greater significant weighting to social value in tenders. 11 57% of CCGs have social value in their procurement processes, and 13% are using it actively. 12

**Measurement** - more consistent approaches to social value and clearer methods of implementation are seeing social value measurement improve as cross-sector frameworks are progressing rapidly.

Even at a conservative estimate, if we were only to count a third of councils and 13% of CCGs who are most actively using the potential of the Social Value Act, this would amount to just under £25bn of public spending already being shaped or influenced in some way by social value. The potential spending it could apply to is more than ten times that figure; if the Act was extended and strengthened, the impact would be transformative. 13

Many different powerful and influential experts and policymakers have also recognised this progress and potential, and are calling for the Act to be strengthened, extended and widened in its usage. The potential is significant as well as more important and timely than ever.

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11 Procuring for Good, 2016
12 Healthy Commissioning, 2017
13 Local authority spending in total is c. £45bn; CCG spend is around £70bn. A very rough estimate gives a third of £45bn (£15bn) + 13% of £70bn (£9bn) = £24bn. The government’s industrial strategy refers to public sector spending of over £268bn (more than ten times £24bn)
SOCIAL VALUE
POST-BREXIT

Why?
In principle, the idea behind the Social Value Act can be found at the very heart of the debate about the EU referendum. More practically, the result of the referendum may trigger a chain of events which could open up space for a very new, very different and really quite British alternative to existing commissioning and procurement rules.

First, the principle. The Social Value Act is founded on an important idea, that decisions on what public money is spent on should go beyond narrow, short-term financial or economic costs. Rather, commissioners have a duty to consider wider, longer-term social value. This balance between hard economic considerations and those which are less tangible, less measurable, ‘softer’ and more subjective may well have been in the heads and hearts of voters as they entered the polling booths over a year ago.

Economics is only ever part of the answer to the questions we face, whether debating the commissioning of social care or membership of the European Union. Indeed, economic theory doesn’t deal very well with externalities - the environment, moral and irrational sentiments, culture and social value. During the referendum campaign, Nigel Farage departed from decades of economics orthodoxy to argue that “Quality of life matters more than GDP”, something
which many voters had perhaps been waiting years to hear a Conservative or Labour politician say.

Of course value beyond economic value can be found on both sides of the argument. For many ‘Leavers’, a strong cultural attachment to Britishness informed their decision, alongside an economic argument that they should ‘repatriate’ the UK’s contribution to the EU budget. While this was mirrored amongst many ‘Remainers’ who, culturally, were attached to a European ideal, their status as European citizens or just being part of what was being characterised as a European Club and a belief that membership of the single market brings valuable economic benefits. So the vote was partly about economics but not entirely.

Similarly, the Social Value Act recognises that economic value is only part of the story. It places this narrow perspective within a wider context, where economic, social and indeed environmental value must be balanced and considered together in the round.

Second and more practically, Brexit will surely eventually open up new opportunities for reforming the legal framework for commissioning and procurement in the UK. While it is not yet clear whether we will remain - either for a transition period or the long-term - in the EEA, EFTA, the single market, the customs union or enter into new but similar arrangements, we may eventually find ourselves outside the scope of the ECJ and the EU’s *acquis communautaire* and with greater freedoms to determine at least some of our own, perhaps unique and bespoke, competition, procurement and state aid law.

The Social Value Act as it stands is just about compatible with current EU law. For years, before the advent of the Act, advocates of social enterprise and social value would argue for the use of social clauses in procurement – just as advocates of more localised economic models would argue for procurement to favour local providers. Both groups were often rebuffed by lawyers, government officials and others who told them this was simply not allowed under EU law. A Cabinet Office project on social clauses fell by the wayside as a result of legal advice that suggested there was very little scope for greater use of social clauses under EU law. This may now come up for grabs.

**What is happening already?**

Of course, change will take time, with EU laws continuing to apply to commissioning and procurement for now and perhaps even beyond a transition period. As Cristina Sarb of NHS Providers says “Departure may not mean any immediate change, but post-Brexit the UK may gain some freedom to redefine the application of competition and procurement in the NHS. Crucially, any change will depend in equal measure on the political choices of the government of the day, independent of Brexit.”

> **But, of course, localism is only part of the answer. Local trade has limits…The answer then is not 100% local or 100% global, but an appropriate balance that combines regard for economic value with consideration for social and environmental capital.**

Yet Brexit and the election of President Trump already appear to herald a victory for protectionism or localism against free trade or globalisation. In a world threatened by environmental catastrophe and as
communities suffer social breakdown as jobs and factories move overseas, it is easy to understand the attraction of an emphasis on the local; to minimise carbon emissions, for example, or prevent communities from falling apart. In this context, a number of related movements have sprung up across the UK over recent decades to promote trade in local goods and services. Local currencies, for example the Bristol pound, have earned remarkable popularity.

But, of course, localism is only part of the answer. Local trade has limits. Specialisation and international trade have brought massive economic benefits, rises in GDP, choice and our standard of living. Keeping money in the local economy in relatively wealthy cities like Bristol or Brighton is perhaps less easily justified than in Preston or Rochdale. The answer then is not either 100% local or 100% global, but an appropriate balance that combines regard for economic value with consideration for social and environmental capital.

So, in many places, local politicians and commissioners are already using the Social Value Act to push at the limits of what is possible under EU law as it stands, flirting with the idea of favouring local providers.

CASE STUDY: Preston’s use of the Social Value Act

Perhaps the most significant development of the Social Value Act has been an appreciation by local government leaders that the legislation can form part of a toolkit to revive local economies. It is too soon to evaluate success, but Preston Council's use of the Act to regenerate the area using the 'Cleveland Model' is striking. The Council, along with other public sector bodies in the area, have sought to align their procurement policies to support the development of local co-operatives and social enterprises. The city council doubled its procurement spend with Preston-based companies from 14% in 2012-13 to 28% in 2014-15.

Lancashire County Council has since introduced a social value framework to inform and apply to all aspects of their procurement cycle, and the local college, police and housing association have all committed to applying this framework to their projects.

Perhaps inevitably, this is happening most often in those areas in the UK which have done relatively poorly under a more open, free trade global market economy – areas which have been characterised by some as left behind by globalisation.

Meanwhile, we are seeing other signs that procurement and commissioning is evolving. The latest iteration of NHS procurement and commissioning regulations are already perhaps at odds with EU law. Alliance contracting, Accountable Care Organisations or Accountable Care Systems in the NHS offer some promise that co-operation is starting to rival competition as the modus operandi of commissioning. NHS chief Simon Stevens is now talking about ending the purchaser provider split in the health system which would remove established procurement law and give greater freedom to those managing NHS resources to make decisions without the formalities of competitive tenders.

At the same time, the new Article 77 ‘mutuals reservation’ in EU procurement law was born out of the desire of Conservative Minister Francis Maude to loosen EU law and allow space for commissioners to restrict competitions - and indeed sidestep competitive tenders - to award uncontested contracts to staff-owned spin-outs.

[14] https://community-wealth.org/content/cleveland-model10
In Lewisham, for instance, a contract was awarded under the new Article 77 for the delivery of the youth services to Youth First for a period of three years.

What next?
As Simon Randall of the Society of Conservative Lawyers says, “The UK’s departure from the EU affords a significant and welcome opportunity to introduce new public procurement rules with an Anglo-Saxon emphasis and UK-centric approach…The terms of the Public Services (Social Value) Act 2012 should be widened to stress the importance of social, economic and environmental wellbeing in both the selection and award criteria and to cover goods, services and work contracts.”

Yet this is already possible under current rules. So if the UK sits outside EU commissioning and procurement law, whether in 3 years’ time or 10, then a future elaboration of the Social Value Act or related commissioning and procurement laws in the UK may be able to advance into completely new territory. This could include, for example:

- explicitly favouring local providers, perhaps in certain areas of the country;
- favouring providers with certain ownership, governance or legal status, and not only for a time limited period of 3 years, as under Article 77;
- changes to the thresholds under which formal competitive tenders are required; and
- less reliance on competitive tenders per se and a shift towards collaboration and co-operation as the driving principles behind commissioning.

While many of us are divided in terms of our views on Brexit, we can all be united in looking forward to a future where public money is spent in a way which better balances short-term financial considerations against the broader interest over the long-term, which encourages collaboration, and takes into account quality of life, the environment and the specific circumstances of diverse communities across the UK. That would be real value for money.
Why?
It is something of an anomaly that the Social Value Act only applies to services and not to goods and works, and one that some have already taken it upon themselves to address.

Durham County Council, for instance, apply the spirit of the Act to all procured goods and works as well as services: “Social value should be embedded formally in all major construction projects”, say Mace - a global construction company with a turnover of £2bn a year. The Crown Commercial Service have produced a policy procurement note which details and encourages the “evaluation of social and environmental benefits and impacts” and expects this to be applicable in the “majority of cases”, including in relation to procuring steel in major projects.

So it is not a case of whether social value should be applied to infrastructure projects, but rather when, how much and in what ways. Projects like HS2, Hinkley Point, Heathrow, and other road and rail projects are set to account for billions of pounds worth of public spending in the next five to ten years. What an opportunity this is for social value to be used boldly and intelligently to get the maximum value - social, environmental and economic - from that infrastructure spend. While the margins on public services are being squeezed, infrastructure spend is set to increase in relative terms. So ensuring the wealth and opportunity created by those infrastructure projects benefits those who live and work in the areas where those projects are happening should be a priority for all of us.
What is happening already?
Some forward-thinking local authorities are already applying the principles of social value to the goods and works they procure, recognising that this is eminently possible under current procurement regulations. In this way, they are significantly increasing the value they can get from such spend: helping address employment challenges through how they buy and recycle wood. This requires leadership, and buy-in across departments, but there is no reason social value can’t be easily extended and implemented to goods and works right now.

Major project leaders are also interested: HS2 has been looking hard at social value clauses for upcoming contracts worth billions of pounds - to ensure the communities in which HS2 operates can benefit. Hinkley Point and Sellafield have been engaging with social enterprises and social value experts to consider how to maximise the positive value from their contracts also. The same is true of other large infrastructure projects, such as Crossrail.

Frameworks which consider social value have emerged from the likes of Scape, while other large commercial businesses like Amey, Interserve, Mace, Robertson Group and Wates, are actively engaging with social enterprises to maximise the social value they can create in their supply chains, mapping their social value, working with local stakeholders, and responding to local needs.

These businesses are not alone - a wide range of private sector providers are following in the footsteps of these pioneers, setting out their own aspirations based on a mix of commercial and ethical business drivers. Social enterprises are also of course inevitably part of this: an increasing number create products, as well as deliver services, and more are operating in the business-to-business markets, working with the private sector and public sectors directly.

What next?
There is clearly huge potential in maximising social value from large infrastructure projects. One example from another country makes this clear. In the state of Victoria in Australia, the government has set a procurement target for infrastructure projects in the state that 3% of spend must be with aboriginal-led businesses, social enterprises, or enterprises employing those most disadvantaged from the labour market. The planned infrastructure spend for Victoria in the next few years is $30 billion Australian dollars.

So this represents a nearly $1 billion social value opportunity in just one state of Australia. The UK’s own consultation on the Industrial Strategy states that “Central government economic infrastructure investment will now rise by almost 60 per cent between 16/17 (£14 billion) and 20/21 (£22 billion). The Government has also asked the National Infrastructure Commission to plan on the basis that government infrastructure spending will be between one and 1.2 per cent of GDP between 2020 and 2050. This would sustain our new higher level of spending consistently over the medium term.” Imagine the potential social value which could be created by harnessing that total infrastructure spend in the UK?

Weighting social value with much more boldness and ambition could deliver a massive lasting and positive impact in communities across the country. This does not mean giving up on efficiency and effectiveness, it means taking the entire value into account, and recognising the longer-term view that is at the heart of success for many of these projects. The Industrial Strategy talks of “Better matching infrastructure to local plans, using infrastructure to support local growth” and that is entirely correct:
growth needs to be inclusive, and plans need to reflect the wider social and economic objectives of local areas. Social value is the nearest available tool and an effective means to deliver.

The way forward is clear for social value in infrastructure: the public sector (locally and nationally), the private sector and the social sector are converging. The largest projects are already on board or seriously considering social value. A simple collective effort could move the needle and ensure social value is at the heart of every infrastructure project in the country: ensuring even greater benefit to all. The case of Port Talbot reminds us of the community benefit and impact of steel production; floods remind us of the relationship between infrastructure and the social fabric of our country; large national projects need to take local priorities into account to succeed at a faster rate. In short, there has never been a more important time for social value in infrastructure.

Why?
The devolution agenda has for some time been on the Government’s list of priorities, not least since the Scotland Act and the Government of Wales Act of 1998, and this debate continues. More recently the election of Mayors, including those for the Greater Manchester and the West Midlands Combined Authorities, has increased the pace and potential of devolution. As more power is devolved to the regions, more can be achieved through innovative commissioning - and this is where social value comes in. Particularly at a time when central government is dominated by Brexit: regional and local government may carry more potential in the short to medium term to get things done.

There is significant potential in these areas - by their very nature, devolved administrations bring the democratic principle, cross-agency working, consensus-building and an aspiration to transform services to the table. Social value has a role to play in addressing some of the big challenges that Mayors are starting to look at: from homelessness to youth employment, and from mental health to active citizenship. We are already starting to see this play out in the areas leading the way, such as the Greater Manchester Combined Authority (GMCA) and in other areas of the UK.

What is happening already?
Devolved areas are alive to the potential of social value and its cross-sector, cross-area potential. The Social Value Policy for the GMCA makes clear that for them, the social value agenda relates directly to their strategic aims:
To redesign public services to build the independence and self-reliance of GM’s residents; and,
To collaboratively invest in public service interventions to help all GM partners sustainably reduce demand for their services

The elements of their policies relate to their reforms: to encourage families, individuals and communities to lead more productive and fulfilling lives. Their connected objectives, detailed in the Social Value Policy make this evident:

- Promote employment and economic sustainability - tackle unemployment and facilitate the development of skills
- Raise the living standards of local residents - working towards living wage, maximise employee access to entitlements such as childcare and encourage suppliers to source labour from within Greater Manchester
- Promote participation and citizenship engagement - encourage resident participation and promote active citizenship
- Build the capacity and sustainability of the voluntary and community sector - practical support for local voluntary and community groups
- Promote equality and fairness - target effort towards those in the greatest need or facing the greatest disadvantage and tackle deprivation across the borough
- Promote environmental sustainability - reduce wastage, limit energy consumption and procure materials from sustainable sources
The same is true in the West Midlands, where the West Midlands Combined Authority has recently developed their social value policy and strategy to apply across their work throughout the region. The Mayor and the WMCA believe social value can be a catalyst for collaboration, encourage sharing of best practice, provide opportunities for smarter joint commissioning and help drive forward more inclusive regional growth. They recognise that, as in Manchester, the Combined Authority is building on the existing work and activity of their constituent local authorities. From Birmingham Council putting increasing social value as the second objective of its commissioning strategy to Manchester City Council increasing its weighting for social value from 10% to 20%, there is much to build on - and that doesn’t include the pioneering work of the likes of Salford, whose cross-sectoral approach has led the way in local authorities.

Bristol City Council, also now with its own mayor, has developed a similar policy. Its intent being to ensure commissioning activity maximises social, economic and environmental impact:

1. To further our sustainable procurement objectives to protect and enhance the environment.

2. To promote the local economy by supporting micro, small and medium sized enterprises and the voluntary and community sector in Bristol to thrive.

3. To tackle disadvantage and address inequalities in health, wealth and opportunity in the city.

4. To involve local people and organisations in how we meet the needs of local communities through the commissioning cycle.

Again, the Mayor can see the potential of social value to use available resources more effectively to tackle the city and the surrounding region’s key challenges. That policy also makes clear the importance of involving local people and the local social sector in Bristol - again, putting social value in line with the democracy associated Mayoral led devolution.

What next?
Through devolution and a greater level of confidence from local government, a number of the barriers raised in Lord Young’s review have been addressed. In the examples above, the strategies developed by these major, metropolitan authorities (and others that are not referenced) have more than responded to his concerns on awareness, understanding and measurement.

Much has changed since that review in 2015, and devolved areas have been at the heart of that change. Local authorities like Oldham and Salford influencing and informing wider Greater Manchester work; the convening and advocacy of organisations like Social Enterprise West Midlands and iSE across the West Midlands; and the measurement consensus being built by organisations like Social Value UK and the Social Audit Network (both based in the North West).

As a speaker from Liverpool at the Social Value Summit said in 2017: “Successful devolution for our city-region economy rests upon our ability to capitalise on social value in the best interests of communities” - which moves beyond the Act into the way that individuals, businesses and organisations all choose to spend their money. This indicates what should come next in devolved areas: bringing agencies from across sectors together, building common cause, and pooling resources to overcome the financial constraints that are faced by everyone. Social value should be built into every devolution agreement, because where implementation is concerned, devolved government is the most appropriate model and there are few limits to what it could achieve.
Why?
If there is one common denominator between the content of social value policies, strategies and frameworks, it tends to be around employment and, especially, apprenticeships. It has not been uncommon for skills training and apprenticeships to be attached to public sector works contracts; this is particularly the case in sub-sectors of the construction industry where there are specific skills shortages, as it is a win-win for the public sector body and the contractor. Apprenticeships are also relatively easy to measure, monitor and insert as a contractual requirement. It is not surprising then, that we are seeing the Social Value Act being used as a way of maximising this additional value and delivering additional training and apprenticeships. The Government has a commitment to deliver 3 million apprenticeships for young people by 2020. This is a stretching target, one which will be difficult to deliver within existing funding streams. Here, the Social Value Act can play its part, delivering apprenticeships and addressing locally determined skills shortages.

However, to see the Social Value Act simply as a way of delivering apprenticeships would be to misunderstand its effect and its potential. The Act encourages commissioners to think holistically, to cut across departmental boundaries, to consider the economic benefit to the state in contracting with organisations which support ex-offenders or people with mental health issues, and the social benefit of helping people re-enter the job market. In this way, social value has significant potential in maximising opportunities across a wide

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15 Public works and infrastructure fall outside the scope of the Social Value Act, but Government guidance encourages the public sector to, in effect, ignore the limits of the Act – see Best Value Statutory Guidance and PPN 11/16. Yet as the legislation makes clear, there are limitations to what commissioners can seek in terms of social value from public sector contracts: “Only matters that are relevant to what is proposed to be procured” may be considered, and the public body “must consider the extent to which is it proportionate in all the circumstances”.

range of contracts and projects: from building bridges to mending fences, from running parks to repairing roads. If the government is going to achieve its goal of a further 1 million people in employment, it simply has to use social value to support those people who wouldn’t otherwise get the chance.

What is happening already?
We are beginning to see this type of thinking applied in relation to apprenticeships, where commissioning bodies are looking at whether they can encourage contractors to focus their training efforts on looked-after young people who are exiting care. Supported by a care package, this ‘soft entry’ into the world of work has the capacity to fundamentally change vulnerable young people’s lives for the better – and save the state substantial amounts of money.

CASE STUDY
Croydon may be an exemplar in approaching apprenticeships and skills training in an integrated manner. The council has developed a toolkit for commissioners to inform and encourage them to increase the opportunities that the Social Value Act permits to maximise the number of apprenticeships from contracts. But they know that the Council’s spend in and of itself, is limited. The ‘Value Croydon’ website seeks to extend the social value principles they use to other public sector agencies and the private sector in the Borough and aims to become a single point of access for pre-engagement and opportunities for all commissioning and procurement opportunities in the area. The final pillar of its policy is ‘Croydon Works’, a jobs brokerage delivered by a partnership between Croydon Council, Croydon College and Job Centre Plus, which aims to provide employability support and a free to use recruitment service for the residents and businesses of Croydon.

Mental health is another area where we see progress. It is difficult to generalise, of course: everyone’s experience is different, and support needs to be personalised. But it is an area which social enterprise working within health does well, with its holistic and innovative approach. One example is NAViGO, which runs all local mental health and associated services in North East Lincolnshire and runs Tukes which aims to improve the quality of life for people with mental health issues by enabling them to gain new skills, increasing confidence, self-esteem and motivation and counteract social exclusion within the labour market. Tukes provides in-house services for NAViGO and holds a number of contracts providing horticultural and grounds maintenance – providing the ideal setting for people with some mental health conditions to recover and gain skills to re-enter the jobs’ market.

Use of the Social Value Act to support disabled people into work is a relatively unexplored area, despite the valiant efforts of Disability Rights UK’s “I Can Make It” campaign. However, even in this here, there is progress. As former Minister for the Disabled Penny Mordaunt MP said in July: “Using the Social Value Act, encouraging bids from providers, who have a real focus on boosting employment, training and skills for disabled people as part of their bids. Public money can and must deliver the widest possible range of benefits wherever it is spent. We are looking across central and local government to share examples of where procurement has successfully led to wider benefits for disabled people, and I’m committed to making this the way government does business by default, starting with DWP’s own contracts.”
Re-entering the job market is equally problematic, for very different reasons, for ex-offenders. A number of social enterprises specialise in this area winning a range of public and private sector contracts. Perhaps most notable is Blue Sky Development who rightly says that “procurement is a driving force for change”. Here too, social value can unlock opportunities.

An encouraging development is the way that the Social Value Act’s impact has gone far beyond the public sector and is changing business for good. When Government moves, the private sector responds, and the Government’s commitment to 33% of its procurement spend to be on SMEs has been a game-changer. Notably, it has placed pressure on Tier 1 suppliers to pay greater attention to their supply chain in order that they demonstrate that they meet Government’s targets. A growing number of public sector contracts mention social value, a fact which has not gone unnoticed by corporates keen to win work from the state; and many were already committed to developing diversity in their supply chain, developing the next generation of employees, and reinvesting in their communities.

“An encouraging development is the way that the Social Value Act’s impact has gone far beyond the public sector and is changing business for good. When the Government moves, the private sector responds, and the Government’s commitment to 33% of its procurement spend to be on SMEs has been a game-changer.”

These factors, allied to traditional Corporate Social Responsibility programmes, means that an increasing number of companies are joining Social Enterprise UK’s ‘Buy Social Corporate Challenge’. Launched at 11 Downing Street, members of the challenge aim to spend £1bn on social enterprises by 2020 by diversifying their supply chains. Wates, the very first member of the Corporate Challenge, is a family-run construction company with a strong tradition of working with communities. As a result of Corporate Challenge membership, the company has committed to integrating social enterprises into its supply chain – not because it has to by law, but because it is the right thing to do, and helps them recruit talent into the business.

Whilst it is difficult to examine the effect of consideration of social value on the shape of contracts, it is possible – where Government measures it – to look at how many social enterprises are contracted by Government. The evidence, at least for the Department for Work and Pensions, revealed in an answer to a Written Parliamentary Question, suggests that there is a way to go.17

What next?
It is difficult to see a scenario where Brexit does not lead to an end of Freedom of Movement and a more restrictive approach to immigration. There is therefore an economic imperative (as well as a social one) to ensure that UK-based companies have a supply of ready-to-employ workers. Based on current funding, it seems unlikely that the Government will meet its ambitious apprenticeship targets: a stronger Social Value Act can be used to help meet the Government’s priorities.

17 http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2017-06-27/1263/
“Cherry picking” is to some extent inevitable where Government sets ambitious targets: organisations will often seek to do what it is easiest. A more holistic approach to commissioning work programmes – which the Social Value Act encourages - together with a care package and a supportive employment environment means that the ‘hardest to help’ can indeed be eased into the world of work at the appropriate pace. Such an approach, which social enterprises are well-placed to deliver, not only transforms lives and saves the taxpayer money in the long-term, it also delivers the Prime Minister’s desire to have an economy that works for all.

Examples of good practice are legion, but these tend to exist within a relatively small type of contract such as facilities management, construction and social care. It does not take a great leap of imagination to see the potential of the Act if this sort of approach was applied across all public sector spending.
This publication has set out the progress made with the Act, and evidenced the impact it is already having, as well as the potential it still has. It has also detailed the many other organisations, from different sectors, backgrounds and experiences who advocate changes to the Act and what surrounds it to ensure that potential is realised. It has also detailed how that potential is being recognised and encouraged, in many parts of the UK and internationally. Finally, it has made clear how social value can play a key part in addressing the country’s central challenges.

In short, where the Lord Young Review was cautious in recommending changes, government now needs to be bold:

1) The Act needs to be extended ‘horizontally’ by including goods and works, but also to planning and assets and wider infrastructure.

2) The Act needs to be extended ‘vertically’ by changing ‘consider’ to ‘account for’ in the language of the Act, and requiring this throughout the commissioning cycle, including contract management.

3) Social value needs to be included as a precursor and core element in devolution agreements, requiring devolved areas to include it in their joined-up commissioning and procurement.

4) These changes need to be supported by clearer statutory guidance by central government, including case studies, example weightings and removing thresholds.

5) A biennial State of Social Value Audit conducted independently but with the support of the Government.

In combination, these five measures will shift behaviours, change practice and create a transformation and step change in the way social value is thought of and utilised. More detailed and technical policy recommendations are detailed below which go into each of these in more detail, and give ways in which they could be implemented and put into action.

In this section, we look at the technical policy area relating to social value, and what can be done to amend policy to create more value for everyone. This looks specifically at the thresholds the Act applies to, extending the Act, accountability, guidance, planning, assets and its relationship to the Green Book used by central government.
a) Thresholds
The Social Value Act technically only applies over EU thresholds, though Government guidance recommends that these can be ignored. Below the threshold procurements fall under a light-touch regime, providing considerable flexibility in the way that the tender is conducted (meaning social value can be considered, it just does not have to be). Procuring for Good looked at the way that local authorities considered social value, and there was considerable variation: some followed the letter of the law and only considered social value above the EU threshold, others (typically those that had embraced social value) applied it above a much lower threshold (above a threshold of £10,000 was not uncommon).

District Councils - Parishes aside, the smallest tier of local government in England - were the least likely to apply social value. Procuring for Good interpreted this as a rational decision given their limited capacity: they rarely commissioned services above the EU threshold, recognised that the Social Value Act did not apply to them, and had not explored the benefits that the Act could bring. The threshold appears therefore to be a barrier to greater adoption of the Act by public sector bodies which typically or exclusively tender below the EU threshold. Moreover, it appears increasingly anachronistic, in a country which has voted to leave the EU that domestic legislation needlessly refers to EU thresholds. Given that the Act must be applied proportionally, public bodies will not be placed under significant additional burden by removing the threshold.

b) Extending the Act
As we saw in earlier chapters, there has been considerable progress since Lord Young’s review and Government guidance encourages public sector bodies to go beyond the limits of legislation. The revised Best Value Statutory Guidance: “Authorities can however apply the concept of social value more widely than this and this Guidance recommends that authorities consider social value for other contracts (for example below the threshold or for goods and works) where it is relevant to the subject matter of the contract and deemed to be beneficial to do so.” 20 PPN 11/16 enables public bodies to consider social value in self-defined “major projects”, effectively extending social value to goods, works, infrastructure. The Government pledged to allow social value principles to be considered when commissioning bus services, during the passage of the Bus Service Act 2017, extending the scope of the Act to a utility for the first time.

This creates an unclear and unhelpful situation for public sector commissioners and potential suppliers alike, where it is not clear whether any given contract could or should be subject to the Act. To date, we are not aware of any legal challenges to procurement exercises because of the Act, but because of the lack of clarity, it would disappointing if the scope of the Act was determined by case law rather than legislation. An elegant solution to this potential threat would be to extend the Social Value Act to all external spend for public bodies.

c) Duty to Account For
The Social Value Act is currently enabling legislation. Public bodies have a duty “to consider” social value in certain circumstances. Public bodies have little need to justify what consideration actually means. This, initially, has led to very variable practice across the public sector. Lord Young in 2015

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18 These vary somewhat depending on the subject of the tender and the nature of the public body.
19 S6 of the Public Services (Social Value) Act 2012 authorities “must consider the extent to which it is proportionate in all the circumstances to take those matters into account”
considered whether it was appropriate to introduce a stronger duty on the public sector and concluded that it was too early to recommend this. As this report demonstrates, there is now a much greater body of evidence, and importantly, a more pressing need to reconsider.

For those that do not already, it would be a simple task to incorporate a report on social value into organisations’ Procurement Strategy monitoring. Accounting for social value has received the support of The House of Lords Select Committee on Charities which recently stated “We recommend as a first step that the Government requires public sector commissioners to “account for” rather than merely “consider” social value.”

**d) Guidance**

As we have seen, what guidance there is somewhat piecemeal and confusing, and exists on the basis that the Social Value Act is enabling legislation. There is an opportunity for Government to provide strong, clear and concise guidance about how ‘social value’ should be treated.

Currently, the Act appears to be implemented in different ways across different spheres of government, not because of the nature of the contracts (as the law states) but because some uses of the Act have become normalised. With health for example, there appears to be a sense that the Act is best used to address health inequalities - in practice this means supporting smaller VSCE organisations, including equality groups. Whilst this is a perfectly legitimate and useful way of using the Social Value Act, it is limiting. Could large NHS contracts not also deliver apprenticeships? Could MoD contracts not also seek to tackle recidivism? Could MoJ contracts also deliver health outcomes?

The need for one set of strong, clear guidelines – applicable to central government and its agencies, the NHS and local government – and which sits alongside the Government’s Balanced Scorecard for Growth and an extended and strengthened Social Value Act. These could and should be supplemented by department-by-department policies on social value from central government.

**e) Assets**

Assets can be disposed of by public sector bodies at less than best consideration in certain circumstances. Understandably, in most cases the public body will wish to obtain the full market value but there are times indirect benefits and those cannot be taken into account in assessing best consideration. The Localism Act 2011 has communities’ encouragement that the transfer of assets from the public sector would be commonplace. In truth, despite some notable successes, its impact in this respect has been limited. Disposing at less than best consideration is a complicated process. Extending the Social Value Act to cover assets would simplify the process considerably.

**f) Green Book**

Government currently does not account for social value. We strongly believe that social value should be incorporated into the standard programme, policy and project appraisal system in order to ensure that a rounded view of the impact of any action (or inaction) is accounted for. Annexe Two of the Treasury’s Green Book does seek to explore how social cost benefit analysis can be used to assess the net value of a proposal but “social value” as a term is absent from the Green Book, and we are a long way away from treating wider and longer term issues of social value on a par with short-term financial value. HCT Group’s paper The Social Value Act – Six Steps to Fulfilment recommends adding social value as a sixth case to the current ‘five case’ model of the Green Book.

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g) Planning

The National Planning Policy Framework replaced over a thousand pages of, sometimes conflicting, national planning policy and sets out the Government’s planning policies for England. Key to the Government’s vision to ensuring that development is economically, socially and environmentally sustainable. As the NPPF says: “These roles should not be undertaken in isolation, because they are mutually dependent. Economic growth can secure higher social and environmental standards, and well-designed buildings and places can improve the lives of people and communities. Therefore, to achieve sustainable development, economic, social and environmental gains should be sought jointly and simultaneously through the planning system. The planning system should play an active role in guiding development to sustainable solutions.”

The Social Value Act does not apply to planning, but there is no reason that the Act could not be extended to do so, or perhaps more realistically for social value principles to play a greater role in planning. Shared Assets, a social enterprise which focuses on land use, has undertaken research in this area and recommends that it should be explicitly stated in planning policy that social value can be a material consideration.24

In some ways, social value is probably already considered informally by planning committees and officers. Yet as Shared Assets says; “Aspects of social value may be included in various local and national policies, but these may fail to capture the range of value produced by many land-based projects. Developments aimed at delivering wider social benefits should always be able to draw on those benefits in their applications.”25

An explicit recognition of social value in planning policy would have benefits26. Planning committees, could take a view that socially or community-owned development is by definition more sustainable than development with only the right-to-buy market in mind. There are signs that interested parties are beginning to think this way too. Legal & General is the first house-builder to launch a “social value charter”. Importantly, the claim that this “is on top of what development investors have to do through Section 106 and planning obligations and is a voluntary commitment to a community.”27

Along similar lines, a group of NGO leaders has recently said that government and developers must ensure new homes are designed to meet the needs of disabled people: “Greater understanding and recognition of the long-term financial and social value that inclusive housing can bring is crucial. Accessible and easily adaptable housing can help cut the length of hospital stays, improve independent living and reduce adaptation costs. Inclusive homes benefit everyone, from older people, to people with mobility problems as well as families with young children. It’s time for housing policy to create an inclusive legacy.”28

Balancing competing cross-departmental demands and maximising social value from decisions sounds a great deal like the issues which commissioners grapple with in procurement. Formally introducing social value as a material planning consideration has considerable merit.

h) Implementation – via the Green Book, legislation, training

Government can itself choose to amend its own Green Book. Extending the Act to cover planning and asset disposals would require consultation – these are bold suggestions which deserve further

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25 Ibid
26 The construction, design and architecture industry agrees; in October 2017, the Supply Chain School published Social Value and Design of the Built Environment: https://www.supplychainschool.co.uk/documents/social%20value%20and%20design%20of%20the%20built%20environment%20v%20002%20oct%202017.pdf
28 https://www.theguardian.com/society/2017/sep/10/britain-needs-more-accessible-housing
considerations. However extending the Act to cover the full range of the state’s procurement activities and removing the thresholds should be relatively easy to do.

The Social Value Act has already been amended to take account of changes to EU thresholds. It seems likely, as the Society of Conservative Lawyers suggest that an extension of the Act could be achieved quickly, “by some simple amendments to the 2012 Act in the Repeal Bill and incorporated in the temporary regulations using Henry VIII provisions.”

Given the original Act was a Private Member’s Bill, and that the Labour Party have themselves advocated an extension of the Social Value Act as recently as April this year[^30], it is not too far fetched to imagine that extending the Act would again receive cross-party support, an important consideration given the current Parliamentary arithmetic.

Finally, an extension to the legislation and Green Book guidance needs to be supported by training for commissioners, procurement professionals and providers alike by both specialists such as Social Enterprise UK and Social Value UK and also via established bodies like the Chartered Institute of Procurement and Supply.

[^29]: Public Procurement after the UK’s Departure [http://www.conservativelawyers.com/files/Public_Procurement.pdf](http://www.conservativelawyers.com/files/Public_Procurement.pdf)
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