

# **Social Value Act 2012 & Enhancements:**

*10 Things All Companies Bidding for Public Tenders Need to Know*



## Let's tackle these changes together!

Thank you for downloading the Social Value Act 2012 & Enhancements Guide!

We know your company wants to do good and also comply with the new regulations but at the same time, it might not be completely clear for you and your social value, CSR or sustainability team, what these Social Value Act Enhancements really mean in practice.

Here at whatimpact, we want to guide you through the process step by step, so that you can make sure to abide by the rules and keep having a positive impact on local communities.

That's why we put together 10 things to know about the Social Value Act 2012 Enhancements and how you can comply with them and leverage them for your organisation's benefit!

## whatimpact is your partner in social value!

whatimpact.com is a social value management platform designed with and for social value managers. It is a one of a kind workflow management tool for planning and reporting on social value delivered with charities, social enterprises and other local initiatives UK-wide. You can easily match with organisations helping you to deliver contract related social value through commercial partnerships, donations (skills, products, service and money) and volunteering. Our social value planning tool and impact reporting tool are aligned with GOV Social Value Model and TOMs - and can be used as tangible evidence of delivery in any framework.

whatimpact has social value data in one place, on a team dashboard. We are NOT a social value calculator, but a workflow management tool for helping you to save time and money from unnecessary admin and looking for partners through consultancy work or google. If you use calculator tools, whatimpact plans, matches and reports help you provide evidence against the calculations presented.

In this guide, we help you understand what the new procurement policy means for your company, as well as how whatimpact can help you deliver and demonstrate your social value.

Let's get started!



# 1. Changes affecting the Social Value Act

The Social Value Act was first established in 2012. However, there were no clear guidelines or pressure on organisations to evidence their social value and impact. **This resulted in social value being overlooked and under-delivered.**

PPN 06/20 was the first enhancement to the Social Value Act that launched a serious consideration of social value across tendering and introduced the Social Value Model.

Procurement Act 2023 on the other hand has contributed stricter guidelines to the entirety of procurement, and thus all government bodies are also evaluating social value through this lens. Social value is a key target being refined.

## 2. The key changes - Procurement Policy Note (PPN) 06/20 in a nutshell

- The Procurement Policy Note (PPN) 06/20 came into effect January 1st, 2021
- It requires all companies that are bidding for public contracts to consider how the goods or services they provide, would also benefit the community socially, economically and environmentally
- This concerns companies bidding for projects in central government departments, executive agencies, local government and non-departmental public bodies
- Companies need to evidence targeted social value improvements for the duration of the contract
- If these targets are not met, the company could risk losing the contract

# 3. Changes affecting the Social Value Act

The UK Government acknowledged that they needed to take one step further. They created a central government related Social Value Model (SVM) to define outcome criteria for social value requests. This procurement policy note and the SVM aim to provide a qualitative, clear and systematic way to evaluate social value policy themes and outcomes - and define 10-30% scoring of the tender related to social value plans.

It concerns all businesses, regardless of their size and industry.

## 4. Cheapest bids don't win anymore

These changes might sound challenging for companies, but the net result is well worth it: it means that the cheapest contract is no longer the most attractive, but rather the one that can demonstrate a high-quality delivery of the contract that benefits society before, during and after the contract has been won. This change also levels the playing field for SMEs and social enterprises to bid, as these types of organisations are seen to inherently deliver place-based social value, and offer local job and subcontracting opportunities.



## 5. Internal policies won't be enough

With the new procurement policy note, simply adding general corporate policies and corporate responsibility statements to the tender is no longer sufficient.

Neither is following standard employment practices, environmental targets or generic sustainability politics. Any benefits to the community – social, economical and environmental – must be 'in addition' to what the company already contributes or provides.

Now, companies will need to deliver and evidence targeted social value improvements for the duration of the contract – with local impact in mind. This means engaging with communities, people and environment in the contract area (geographical or industry alignment). These engagement activities can and should stem from the overall sustainability and responsibility strategy,

but deliverables have to be contract specific. If these targets are not met, the company could risk losing the contract or some of the contract compensations will be withheld.

## 6. Importance of reporting

Reporting is becoming increasingly important in social value, with different Government bodies looking into different approaches. The practices vary based on the social value framework being used and whether there is an emphasis on monetised calculations of social value or a more qualitative evaluation model. It is important to remember, that ALL data presented as a proof of impact needs to have proven outcomes to verify it. Therefore, there is always a need for qualitative data on the impact your company created.



## 7. What is the Social Value Model?

The Social Value Model created by the UK Government sets out their social value priorities for procurement. It includes a menu of social value options for commercial staff in organisations to review and select with their internal clients and any stakeholders. There are 5 themes and 8 policy outcomes, which flow from the themes, as follows:

Themes	Policy outcome
<b>Theme 1</b> Covid 19 recovery	Help local communities to manage and recover from the impact of Covid-19
<b>Theme 2</b> Tackling economic inequality	Create new businesses, new jobs & new skills
	Increase supply chain resilience and capacity
<b>Theme 3</b> Fighting climate change	Effective stewardship of the environment
<b>Theme 4</b> Equal opportunity	Reduce the disability employment gap
	Tackle workforce inequality
<b>Theme 5</b> Wellbeing	Improve health & wellbeing
	Improve community cohesion

Government contractors can deliver on these social value outcomes through their internal and external activities by focusing on:

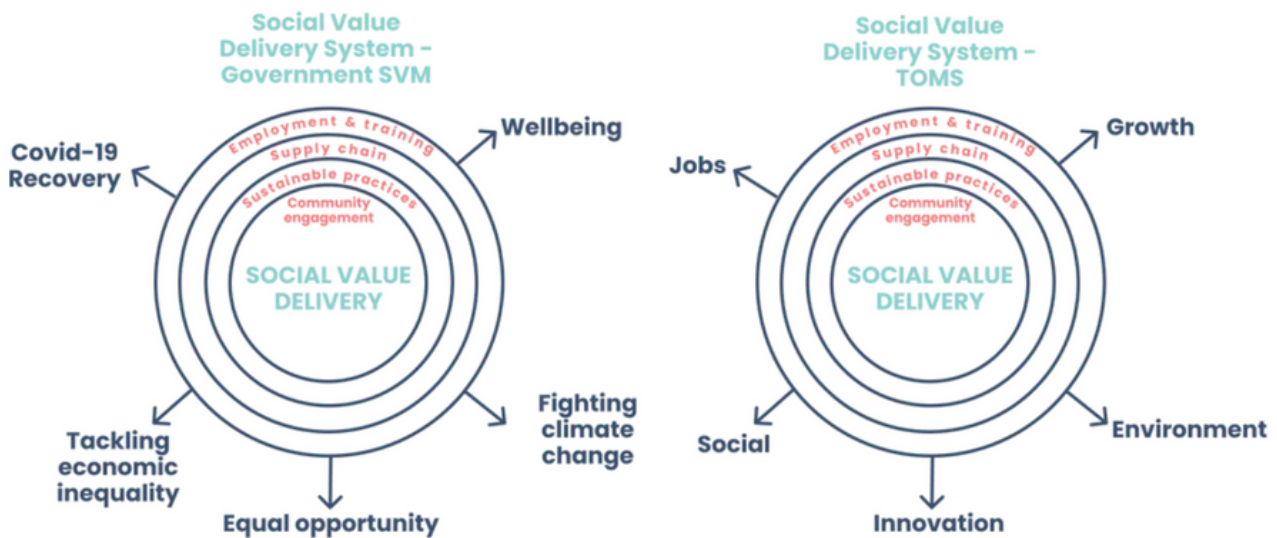
- Conducting inclusive and sustainable employment practices and supporting employment driven community and educational initiatives
- Focus on environmentally friendly operation and production models, and supporting environmental causes
- Collaborating with local charities, social enterprises and other initiatives to improve societal conditions in the communities affected by the contract work
- Requiring their supply chain to adapt the above to their practices and to purchase products and services from local SMEs and VCSEs

More on the Social Value Model [here](#).

## 8. What about other frameworks?

The rise of social value has led to multiple frameworks and approaches to social value, the Social Value Model and the National TOMs being two of the most popular ones.

They are fairly similar, and all highlight the importance of similar categories, Employment, Supply Chain, Environment, Local Community, which companies should look to focus on. It is good to remember, that no matter what framework is being used, the social value itself is always a conscious choice, an activity with proven outcomes, which can be presented as a deliverable in any framework.



## 9. Government officials follow strict guidelines

Demonstrating the impact of the contracts is difficult for many companies, especially when it comes to evaluating the social, economic and environmental outcomes in a transparent and reliable way.

The Social Value Act 2012 and Procurement Policy Note 06/20 provide Government officials with a detailed description on how to plan tenders, evaluate bids and finally determine specific KPIs with the bid winners. One must remember, KPIs are not only numbers, they are proof of delivery, proof of certain outcomes and delivery success rates.

These KPIs are tracked and the performance is evaluated throughout the contract's duration. Therefore, it is important to collect evidence and proof of outcomes during the contract period, with systems and processes in place.

## 10. whatimpact can help you!

Despite all the details and tools the government is providing, determining and evidencing social value is a time-consuming and confusing process.

whatimpact does not only match your company with the most impactful charities social enterprises and local initiatives (VCSEs), but it also requires your chosen partners to report back to you with our social impact reporting tool which is directly compatible with the UK Government's Social Value Model, TOMs and other frameworks.

You and your social value team can be 100% sure to deliver the social value of your contract quickly and efficiently.

This is what whatimpact can do for your company:

### without whatimpact

Tenders and contracts meet only part of the evaluation criteria set by the government.

Proposals do not demonstrate clear understanding of the project's social value and that an action plan is in place.

Reporting social value is time consuming and stressful as you need to find and build the data OR hire consultants to do it.

These gaps may lead to losing tenders or being not able to renew existing contracts.

Bidding for tenders is time consuming and costly. Using external bid writers and consultants are eating the profit margins. Also, quarterly reporting takes a lot of time

### with whatimpact

Tenders and contracts meet and exceed the evaluation criteria. The programmes and outcomes you present, are provided to you by VCSEs and you have full data on the interventions and proof of past outcomes.

Proposals leave no doubt about your capability and commitment to deliver what is required. Partners and deliverables are clearly stated and you can demonstrate how you manage and report on actions.

Your company can demonstrate and evidence its social value for the duration of the contract by VCSE verified impact reporting against all your social value contributions.

Your social value is in ONE PLACE, on whatimpact's management dashboard with plans, matches, reports and volunteering management. All evidence can be used to impress in the tender process and to demonstrate ongoing social value delivery.

Preparing the tenders and reporting social value quarterly is efficient and quick, requiring little time and resources from your social value team.

# What are your next steps?

Thank you for reading whatimpact's Social Value Guide! I'm sure you now have a better understanding on social value in procurement and what it means when you need to demonstrate and evaluate social value in your bids and contracts.

I think we can agree on two things here:

1. Social Value Act 2012 Enhancement, Procurement Policy Note 06/20 and Procurement Act 2023 bring much-needed changes to the field of public bidding and global social responsibility. There is no going back, so now is the time to make social value an inherent part of your operations and procurement.
2. Complying with the changes is extremely important for not only the wider community, but also the competitiveness of your company. What board rooms, and executive level decision makers choose to do about harnessing resources, minds and capability to social value WILL define the future success of any company wishing to contract with the Government.

You might find it difficult to figure out practical collaboration models with VCSEs to meet specific social value criteria. We at whatimpact have a unique platform service for this challenge. Firstly, you can find partners on our extensive VCSE directory and using our MAC matching tool. Secondly, you can promote your social value criteria (per tender) to all of the VCSEs on our database, and they will proactively apply to become your delivery partners with their grass-root projects. This process does not only help you to create exciting, winning tenders, but also to deliver the biggest impact on the ground by improved matchmaking efficiency!

Get in touch with our team at whatimpact and we'll have a chat with you regarding your individual social value challenges. We can advise you and show in practice, how whatimpact.com can help. Many of our clients say they have been 'enlightened' by our one-on-one session and got very useful tips to take the next step on social value.

Book a call to discuss more!

**Make an impact that wins bids!**  
**[BOOK A DEMO](#)**

**Learn more about us**  
**[whatimpact.com](https://whatimpact.com)**



*Tiia Sammallahti*  
CEO & Founder  
**whatimpact.com**