HOW TO EMBED SOCIAL VALUE INTO PUBLIC AND PRIVATE SECTOR PROCUREMENT

TERRY BREWER HEAD OF PUBLIC SECTOR DELIVERY SOCIAL VALUE PORTAL

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JAMES HUNTER STAR PROCUREMENT
LORRAINE COX STAR PROCUREMENT
How to embed Social Value into Public and Private Sector Procurement

National Social Value Conference 2020

Adrian Gibson, Customer Service Director
About Proactis

1000+ enterprise clients
3 million+ users

2 million+ suppliers
100+ countries served

450+ employees
Worldwide operations

Established partner network
Supporting Finance & Procurement to realise digital trade for all

To realise the benefits of digital business processes using our innovative technology...

- Allow operations to concentrate on their day jobs.
- Sourcing technology core solution public & private.
- Gaining additional value from contracts/suppliers.
- Connecting buyers and suppliers.
- Partnering with complimentary solutions – SVP.
- Effectively manage or reduce risk to the business.
- Meet Social Value/CSR/Sustainability.
Drive Social Value

1) Identify a need.
2) Leverage technology.
3) Deliver efficient best practice process.
4) Develop and deliver a Social Value Strategy with...
5) Measurable & auditable results.
Insights

Inclusion of social value in tenders.

Increasing profile of contract management.

Support for SME suppliers.
Help suppliers get their invoices paid sooner than they otherwise would have.

By being notified that invoices have been approved for payment and we offer to accelerate them for a discount.

bePayd makes the discounted accelerated payment and the buyer pays bePayd the full invoice value on the scheduled due date.
SMEs have cash flow challenges.

SMEs are often unattractive to traditional funders.

Access to cash can be complex, costly and slow.

Therefore late or slow payments can be crippling for SMEs.

Payment terms from buyers are considered a contributor to SME liquidity challenges.

Buyers have an obligation to stakeholders to optimise working capital.

Buyers can spend a disproportionate amount of time and effort supporting SME suppliers.

Automated notifications and creating access to early payments creates great value to buyers and their supply chain.
78% of suppliers are small or non-registered.

66% of invoices are from small or non-registered suppliers.

58% of spend is with small or non-registered suppliers.
A win-win for suppliers and buyers

Secure and simple integration with any finance system.

- Speeds up payment – effortlessly.
- Improves suppliers’ cashflow.
- Strengthens suppliers’ relationship with buyer.
- Provides certainty that payments will be made.
- Reduces unwanted conversations.

- Strengthens relationship with supplier.
- Demonstrates commitment to a key CSR issue.
- Reduces the cost of handling payment queries.
- Provides fresh insights into supply chain.
- Provides new income opportunities.
Our Social Value Journey

Rachael Morgan, Procurement Manager
Agenda

- Introduction to WMCA
- Our Social Value Journey
- Policy Implementation
- Challenges
- Progress to Date
- Case Study
Who are the WMCA?

We are 18 local authorities and four Local Enterprise Partnerships (LEPs) working together to move powers from Whitehall to the West Midlands and its locally elected politicians, who know this region best.

Building a healthier, happier, better connected and more prosperous West Midlands
Constituent Local Authorities
Devolution gives us a once-in-a-lifetime opportunity to change our region and focus on the issues that matter most to the people who live and work here.
The WMCA Social Value Taskforce Group (SVTG) was formed in 2016.

Our purpose: A collaborative approach!

Representation from across the West Midlands

What Social Value meant to the West Midlands

TOMS were identified

Consultation was key!

September 2017: SV Policy Approved

November 2017: Policy Launch

April 2018: Implementation into procurement processes
Benefits of the Policy

- A collaborative and consistent collaborative approach
- Creation skills and employment
- A clear message to suppliers and communities
- More opportunities for Small and Medium-sized Enterprises (SMEs) and Voluntary, Community and Social Enterprises (VCSEs)
- Addressing the local needs of citizens
- Promoting long term investment into our communities
- Improving life chance for all
## Application in the Procurement Process

<table>
<thead>
<tr>
<th>Value</th>
<th>Process</th>
<th>Potential Outcomes and Results</th>
</tr>
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<tbody>
<tr>
<td>Under EU Thresholds*</td>
<td>A light touch social value toolkit Application Themes, Outcomes and Measures (TOMs) included within the procurement process</td>
<td>Innovation around one or two issues such as community volunteering or linking up with a local school. Businesses will be expected to respond to small range of specific opportunities contained within the TOM Matrix. <strong>Suggested weighting: 5-10%</strong></td>
</tr>
<tr>
<td>EU Thresholds and above*</td>
<td>Procurement Lead Officers will guide specifications and tender documents to ensure that considerations are made at commissioning stage and that TOMs are included within the tender process, ensuring that the evaluation scores and weightings are clearly set out</td>
<td>Businesses will be expected to respond fully to the TOMs matrix and commit to project specific deliverables that will be included within ongoing KPIs. <strong>Suggested weighting 15-20%</strong></td>
</tr>
</tbody>
</table>

* For current EU thresholds please refer to [https://www.ojeu.eu/thresholds.aspx](https://www.ojeu.eu/thresholds.aspx)
Implementation

- Clear Training Documents
- Bespoke Sessions for Faith Groups and VCSE
- Internal comms to promote Social Value
- Award Winning Team!
Challenges

- Stakeholder Buy in
- Supplier Buy in
- Contractual Commitment
- Relevant Reporting
Delivered to Date

WMCA partners with the Social Value Portal to embed social value in its procurements.

Key Figures

- Social Value embedded in 25 contracts
- Engaged with 264 Bidders (111 are local)
- SV delivery completed in 4 contracts

ACCOUNT SUMMARY
Projects in Delivery Phase only

Total Committed Social Value: £2,522,493.00

Total Delivered Social Value: £2,532,104.85

Delivered Social Value Add(%): 23.41%

Progress Against Targets(%): 100.38%
Delivered to Date – Dashboard

**APPRENTICESHIPS**
- Delivered: 23 weeks
- Target: 163 weeks
- Delivered SVA: £3,864.92
- Target SVA: £27,399.00
- 14.1%

**CAREER SUPPORT SESSIONS**
- Delivered: 5,129.75 hrs
- Target: 45 hrs
- Delivered SVA: £483,729.69
- Target SVA: £4,321.00
- 100.0%

**DISABLED PEOPLE**
- Delivered: 6.2 no.
- Target: 0 no.
- Delivered SVA: £104,711.38
- Target SVA: 0
- 0.0%

**EDUCATIONAL SESSIONS**
- Delivered: 309 hrs
- Target: 61 hrs
- Delivered SVA: £4,458.87
- Target SVA: £882.00
- 100.0%

**LOCAL EMPLOYMENT**
- Delivered: 54.2 no.
- Target: 22.5 no.
- Delivered SVA: £1,431,061.80
- Target SVA: £597,708.00
- 100.0%

**TRAINING OPPORTUNITIES**
- Delivered: 20 weeks
- Target: 4 weeks
- Delivered SVA: £4,715.00
- Target SVA: £986.00
- 100.0%
Case Study Example

JOBS & SKILLS

1 LOCAL person employed on contract

Local people employed on the contract 20%

SOCIAL

Donations to local community projects £10,000

RESPONSIBLE REGIONAL BUSINESS GROWTH

£50,000 Local supply chain spend

100% Contracts including commitments to ethical procurement
Thank you for Listening

If you would like to receive a copy of the WMCA Social Value Policy, please email:

rachael.morgan@wmca.org.uk

or visit:

Stockport Council
Thameside Council
Rochdale Council

- Leads 65%+ of GM/AGMA Collaborative Procurement
- Regional Commissions (GMCA/HSCP)
- National Commissions (Procurement and Shared Services)
- International Links: Canada; Melbourne and Auckland
Activity and Outputs:

- First 9 months
- 165 contracts awarded
- 45 contracts awarded
- 55% awarded locally (GM)
- £21.6M SV in first 45 contracts
- 64.9% offered in SV
- 27.65% SV
- VCSE bidders 14.3%
- 55% awarded locally (GM)
Why It Works?

National TOMs

ALL Procurement Above £50K

Weighting in Procurement 20%

Report and CM

Pre-Engagement Protocol

"Educate, Engage, Empower"
Key Lessons Learned/What’s Next?

- ‘Walk the Talk’
- Top Table Support
- It requires time not ££
- Embed in ALL spend
- Capacity/Support VCSEs
- Bespoke TOMS
- Keep it Simple

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PANEL DISCUSSION:
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