



Nigel Goddard

Just one in seven councils are using social value in procurement, says *Nigel Goddard*

Ethical procurement

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The Social Value Act came into force on 31st January 2013 with the best of intentions, seeking to ensure that public sector contract procurement would improve the economic, social and environmental well-being of local communities.

However, research just released by Social Enterprise UK shows a very mixed uptake and outcomes, with no **data** available to indicate the cost savings at service delivery level. This perhaps fuels the 'it will cost more' side of the argument on delivery, which needs to be countered accordingly by the more enlightened authorities.

“Research shows a very mixed uptake and outcomes.”

Of the 306 councils surveyed just one in seven councils (14 per cent) were fully 'embracing' the idea of social value in procurement. This may draw the conclusion that guidance to date has not been sufficient in widening the application and delivery of social value. Therefore it is perhaps alarming, if not surprising that there is a recommendation to introduce further legislation to increase uptake. **innovation** not legislation should change the outcome.

In my opinion, when it comes to **construction** contracts, social value aspirations are watered down during the procurement process by proposals based on 'employment and skills plans' primarily driven by youth construction apprenticeship schemes, and 'local supply chain intent', which does not engage in reality with sustaining local SME companies.

With the absence of a 'social value brief' or plan for a local area within procurement documentation - other than a **policy** compliance document at best, you cannot blame the post procurement delivery teams of failing in their remit. Project commissioners could get better outcomes, by having aspirations clearly understood, rather than leave the delivery to procurement teams. Also, they should subsequently monitor them actively during all stages of the project lifecycle.

There also needs to be a more consistent way of measuring and evaluating delivery of social value. The Housing Association Charitable Trust wellbeing valuation approach is becoming an industry benchmark within housing delivery. However, targeted interventions meeting local needs, and connecting the voluntary sector with an active **business** community (and Social Enterprises) may go some way to identify wider outcomes.

I believe it would help to have an annually reviewed and on-going 3-5 year social value programme that passes the baton of initiatives rather than starting them all over again when a new project or service commences.

In this context Pellings in conjunction with the Black Enterprise Training Group and other local partners is setting up a pilot initiative in the **London** Borough of Lambeth to come up with a co-ordinated approach to social value where both clients, consultants and contractors are combining their resources to leave a fully evaluated and lasting social value legacy beyond the end of individual projects.

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