

Date: 12th June 2024

Attendees:

Vaishali Baid (Action Sustainability), Sam Walker (Action Sustainability), Liv Banfield (Action Sustainability), Alex Ward (SRM), Amy Dawson (Multiplex Global), Amy Reynolds (Higgins), Andrea Holt (Balfour Beatty), Brody Isaac (McLaren), Caron Dunlop (Mott MacDonald), Christine Donaghey (VGC Group), Curtis Jordan (TFW), David Wake (Galldris), Emma Standish (MCLH), Emma Thompson (Taziker), Emma Ward (Volker Wessels), Hannah Luckhurst (Onsite Support), Jeremy Galpin (Costain), Jeff Joseph (Redrow), Joshua Toluope (SCS), Lara DaRocha-faria (Redrow), Lizzie Hill (Skewb), Louise Moffat (Mott MacDonalds), Lucille Brazier-Watkins (Lendlease), Magdalena Czerwinska (Reliable Contractors), Megan Rogers (Volker Wessels), Natalie Hawkins (Linc Cymru), Olivia Sutcliffe (Savills), Phil Greenhalgh (Briggs), Rachel Riley (RSK), Rebecca Mann (Mott MacDonald), Rose Liliana (Binnies), Sian Rebourg (Hill), Sally Taylor (Environment Agency), Veleta Smith-Carter (N/A).

Summary of actions & notes

Notes & Actions		
No	Action/Note	Responsible
1	<p>Welcome and Introductions</p> <p>Focus of Meeting: Social Value in Procurement</p> <p>Welcome to our new Partners:</p> 	
2	<p>Update on Deliverables</p> <p>An update of the resources that were currently being produced were discussed. This included:</p> <p><u>Navigating Social Value: A Guide to Key Terms and the Evolving Social Landscape</u></p> <p>This has now been released and be viewed here.</p> 	

	<p><u>SME Report</u> The SME Report is a collaboration with Cardiff Business School, exploring the social value landscape and barriers to delivering social value, specifically for SMEs.</p> <p>The report follows on from the SME survey that was carried out last year; thanks again to all the partners who shared the survey!</p> <p>Case studies will feature throughout the SME report.</p> <p>To be released in September 2024 followed by a virtual conference and webinar</p> <p>If you have any case studies that demonstrate the effective delivery of social value by SMEs? Please contact Sam.</p>	<p>Partners</p>
<p>3</p>	<p><u>Diversity Survey</u> Liv Banfield presented the Diversity Survey data collected from the industry and the challenges around diversity in the industry. For more information please see the slides or contact liv.Banfield@actionsustainability.com</p>	
<p>3</p>	<p><u>Social Value & Procurement</u> The focus of the session was to explore Social Value within procurement and how this can be integrated further. As a result, the larger group was split into smaller breakout rooms and asked to share their views on 5 questions. These included:</p> <ol style="list-style-type: none"> 1. How can organisations ensure that social value is a core component of their procurement strategy rather than an afterthought? Provide recommendations for integrating social value into the core procurement strategy and decision-making processes. 2. How can procurement strategies be aligned with an organization’s social value objectives? Discuss the steps organizations can take to ensure their procurement practices support their broader social value goals. 3. What role do suppliers play in achieving social value through procurement? Explore how selecting and partnering with the right suppliers can enhance social value outcomes. 4. What role does stakeholder engagement play in aligning procurement with social value goals? Analyse how involving stakeholders such as employees, suppliers, and the community can improve the alignment of procurement practices with social value objectives. 5. How can organisations balance the need for competitive pricing with the pursuit of social value in procurement decisions? 	

Discuss approaches for finding a balance between achieving low costs and maximizing social impact.

The result of these questions can be viewed in the appendix (at the bottom of these meeting notes).

Upcoming Webinar

Enhancing Supply Chain Value through the 'S' in ESG - Webinar

REGISTER NOW



16 July 2024, 2:00 PM - 3:00 PM



Zoom

The importance of ESG has never been more relevant for the industry. Sustainability issues, especially fair labour practices, societal well-being, aspects of diversity and inclusion, local community benefits, stakeholder engagement, and other social considerations, have become deeply embedded in our supply chains.



Hear from NSG for a conversation case study and Q&A where they will discuss their challenges around social sustainability, and within the industry.

Speakers :

NSG team, speaking on their 'S' journey in ESG

Vaishali Baid, Social Value Lead on ESG and importance of social value

Hannah Roberts, Human Rights Lead on the S in ESG from [EcoVadis](#)



Next session

Wednesday 25th September 2pm-4pm

Appendix

Social Value and Procurement:

Group 1

Social Value and Procurement

What role do suppliers play in achieving social value through procurement?

CLIENT ASPECT

- Pre tender sustainable development screening tool for suppliers to answer, with specific relation to social values, real living wage, modern slavery
- Include explicitly in contract requirements with weighted tender scoring
- Direct suppliers to the SCSS, set expectations / monitor take up of SCSS membership
- TISC Reports (transparency in supply chains) which can allow the client an insight into their supply chain, and which suppliers have a modern slavery statement
- It should be a requirement of the contract that Social Value is explicitly mentioned in the Tender by the Client
- scored as part of the tendering process

SUPPLIER ASPECT

- Practice vs policy MUST be assessed - we use ethical labour audits to test that SV is being delivered at tiers 2,3, etc - where we ordinarily have less visibility.
- Deliver training and awareness with SLT and ensure SLT sponsorship so that contract requirements are meaningful and supported
- Ensure that procurement and supply chain team are fully engaged and trained
- Regularly monitor and evaluate the social value outcomes of procurement
- Make sure tender questions are appropriate for the package / supplier; make sure scoring is undertaken by a sustainability professional
- Engage early with key suppliers so that they understand expectations and opportunities
- Provide solutions / joint working to achieve long-term SV programmes collectively eg to host apprentices and other training programmes
- Educate & train Procurement teams around the benefits of social value in procurement process
- Make sure the value chain as a whole understands the community needs
- Membership of Achilies, Construction Line Supplier Networks
- Follow ISO20400, undertake and initial assessment
- RISQS Membership

CLIENT ASPECT

- Supplier having an open and honest relationship with supplier and collaborating on social value
- establish governance
- SV Performance should be monitored and included as a consideration for future tenders
- Defining core themes, metrics and management approach

SUPPLIER ASPECT

- Clear definitions and understanding this space is key
- Clarity of approach, policy, leadership in place to deliver.
- Specific HR Policies
- Demonstrates the Suppliers commitment to social value. Opportunity to win further work.
- Suppliers have ability to directly influence outcomes - they should be trying to align their approach with client values/objectives as much as possible
- Identification of opportunities at local level
- Making specific commitments - then tracking, measuring and reporting.
- Having the right people and budget in place to deliver on promises made.
- stakeholder engagement on the ground

Social Value and Procurement

How can procurement strategies be aligned with an organization's social value objectives?

CLIENT ASPECT

- Inclusive procurement or supplier diversity policies
- Can they (very difficult question)
- Contractual obligations
- Tricky for large corporations but not impossible. leverage tools that are available, Local Chambers of Commerce, Business networks, SEUK, etc to explore new options
- Find the right balance
- Transparency in ITT documents (invitation to tender)
- through selection process - e.g achilles

SUPPLIER ASPECT

- Measurable KPI's and SLA (service level agreements) in place
- Difficult here as uplift to costs often associated, which makes suppliers nervous as less competitive. They need reassurance from buyers that SV is high on agenda - but is it?

What role does stakeholder engagement play in aligning procurement with social value goals?

CLIENT ASPECT

- Market engagement events to promote social value within the external supply chain
- Promote social value and the events that take place
- A client should have a SV Question within their bid criteria
- Key suppliers are key stakeholders - ongoing engagement & collab with them is key to expanding on SV objectives.
- Immy experier they are often v. supportive of the SV agenda but are getting mixed messages from buyers or LAs

SUPPLIER ASPECT

- SCSS workshops - Encouraging suppliers to sign up and utilise the schools resources around Social Value
- Can help suppliers spot the signs, area's for improvement, and continuous improvement on SV
- increase literacy around social value
- Support with identifying and measuring social value
- I don't think it does, with the exception of local suppliers
- delivering social value in partnership with suppliers

SCHOL Social Value and Procurement Group 1

How can organisations balance the need for competitive pricing with the pursuit of social value in procurement decisions?

CLIENT ASPECT

Key here is to make sure that SV objectives are realistic to begin with- we all know business needs to make profit - but - these objectives don't have to contradict each other.

Evaluate 'total cost' of decision - instead of focusing solely on the upfront cost, consider the total cost / impacts / benefits - balancing competitive pricing with social value

Honestly questioning the procurement decision: "will the long-term effects of this cheaper purchasing decision, outweigh the negative social value offset it's caused".

SUPPLIER ASPECT

Have a clear understanding of social value

Suppliers need confidence that their SV responses are properly acknowledged and will not be priced out accordingly. Where there is £ risk, this is an easier conversation

leveraging existing social value offer

Do you any other reflections you'd like to add? Or any examples of best practice which could be included? Please include the name of your / the organisations name and contact details if possible

Bouygues UK - Whilst working in a Borough like Westminster City Council, we have encouraged Local Authority to work with CITB on Skills Audit or Directory of Suppliers

Incentivisation

"Respect Awards" should the Supply Chain be rewarded for best practice

SME's are eager to please, with less capital. Larger companies aren't as eager to please, with more capital.

Group 2:

SCHOL Social Value and Procurement Group 2

How can organisations ensure that social value is a core component of their procurement strategy rather than an afterthought?

CLIENT ASPECT

Incorporation at tender stage

During the initial stages ensure that the maximum social impact of the local community is considered and included in the procurement plan

Talked about in all business conversations from Meet the Buyer to start on site

Have an organisational approach to social value, that is linked to the strategy, policy and legislation with clear outcomes.

financial KPIs where feasible

Identification of targetted areas/groups early in the project timeline

Emended through every department process

SUPPLIER ASPECT

Being open and available for conversation with potential clients, although potential for collaborative working

setting clear guidance and expectation head of procurement

embedding SV across all teams rather than just SV teams

Include in contractor tenders and work packages. To make social value commitments personal.

Educational upskilling

meeting targets/KPIs and having a strategy to do this

Introduce at PQQ

Trying to procure work in the local community where their business is based

What role do suppliers play in achieving social value through procurement?

CLIENT ASPECT

Awarding contracts based on potential to deliver rather than history of delivering to help SMEs

main contractors do not often monitor or report their supply chain outcomes/delivery - and this is often a missed opportunity

Guide suppliers on what SV activity is expected

Social value is managed and delivered as part of the contract in the same way as all other legal matters

SUPPLIER ASPECT

meeting requirements set out and contract awarded stage

Assisting with support, access to tools, making SV more accessible for SMEs

Social Value and Procurement

Group 2

How can procurement strategies be aligned with an organization's social value objectives?

CLIENT ASPECT

- A dedicated SV person within the organisation who fills the space between strategy, policy, legislation and delivery
- Understand the needs of local areas, what do communities need, rather than being told what we will do
- Gather monthly / quarterly reporting against agreed SV metrics

SUPPLIER ASPECT

- Ask suppliers to report against those core SV metrics
- Identify the organisations core SV criteria and metrics
- Build SV targets into the on-boarding project
- If SME does not have own SV measure tool, offer to report back on their SLEVA provided against a project
- Establish project level SV expectations for suppliers at project level
- Build in SV targets to the supplier and subcontractor procurement at preferred contractor and project level tendering

What role does stakeholder engagement play in aligning procurement with social value goals?

CLIENT ASPECT

- Analyse how involving stakeholders such as employees, suppliers, and the community can improve the alignment of procurement practices with social value objectives.
- Internal SV awareness and core SV criteria reporting is key to driving the overall agenda.
- External stakeholders - client essentially set the SV Criteria but also key to providing information on the how- partnering with local organisation and more detail around priorities and key focus
- Cross department working is required to get insights and outcomes

SUPPLIER ASPECT

- What is possible, given the timescales/project duration?

Group 3

Group 3

Social Value and Procurement

How can organisations ensure that social value is a core component of their procurement strategy rather than an afterthought?

CLIENT ASPECT

- Scorecard targets and audits of social value embedded into procurements
- Local work force understand area better outside client requirements: build relationships and support each other. Ensure mandates are added into it
- SV team to work closely with procurement and at tender stage
- clear targets, understanding, and aspirations from the outset - objectives - leading the charge is key.
- Need to ensure all players in commercial have accountability - not just commercial leads.
- train the procurement team
- hold the procurement team to account
- be clear on how the golden thread of your strategy cascades into the procurement process with clearly defined priorities and measures
- Ensure accountability

SUPPLIER ASPECT

- Social Value should be considered at the start of delivery/project with clear targets/expectations/timelines/cost
- clear targets, goals and aspirations - ESG
- Should be built into regular project review meetings with reporting on progress
- most supply chains are willing to offer support, but training and more awareness is needed on the importance on this

What role do suppliers play in achieving social value through procurement?

CLIENT ASPECT

- Understanding of the community/sector issue.
- Ensure clear, meaningful commitments and a plan to achieve the benefits that is tracked/monitored to achieve the benefit.
- Track the delivery of the benefit - not make it a tick box, but deliver real value to the individual

SUPPLIER ASPECT

- Making commitments, delivering action, reporting
- local jobs, local influence
- Be prepared to do their part within the community

SUPPLY CHAIN SUSTAINABILITY **SCHOL** Social Value and Procurement Group 3

How can procurement strategies be aligned with an organization's social value objectives?

CLIENT ASPECT

- Work with SV team and have clear understanding of client requirements
- align SV questions with organisational objectives
- Ensuring that there is a social value procurement strategy that the process is consistent
- Should be wider than social value objectives, should be sustainability objectives inclusive of SV.
- Ensure SV is embedded throughout the procurement strategy and approach not just in questions etc. e.g. category management/market engagement etc.

SUPPLIER ASPECT

- Bring procurement teams into discussions on developing social value objectives
- Undertaking research into top clients social value strategies/policies
- Understanding from everyone involved
- Build on what you are already doing in your organisation
- Recognise what you already doing in procurement - and build social value objectives around these. Identify easy opportunities to do more
- training and support: align with SV team
- Bid & SV leads to work collaboratively on bids.
- Set procurement targets that relate to social value delivery

How do stakeholder engagement play in aligning procurement with social value goals?

CLIENT ASPECT

- Stakeholder engagement is key through out the procurement strategy and individual procurements
- Stakeholder engagement should shape your priorities and hence your procurement
- For large strategic procurements the local need should be considered and key community stakeholders engaged prior to publication of tender documents
- Need to utilise market engagement - discuss with market key sector/community issues and whether focus is right.
- Collaboration is key with this as if all parties understand the commitment and aspiration it's more likely to be embedded fully and driven forward
- contribute to the success and efficiency

SUPPLIER ASPECT

- Important: clear lines of communication and the importance of deliverables needed: support and future proofing own sustainability
- Helps identify opportunities for collaboration
- Stakeholder engagement can drive meaningful social value activities
- capacity building could be key for suppliers to help them along their own ESG journey and share expertise and knowledge - leading to greater outcomes and impact
- Supports how you meet local needs
- Research and initial conversations with community stakeholders to provide confidence of delivery in the submission

SUPPLY CHAIN SUSTAINABILITY **SCHOL** Social Value and Procurement Group 3

How can organisations balance the need for competitive pricing with the pursuit of social value in procurement decisions?

CLIENT ASPECT

- SV should be seen as an opportunity to be a market differentiator in bids.
- Relevant and proportionate expectations
- True Social Value should be linked to a community/sector issue and can be beneficial to the supplier too e.g. addressing skills shortages
- SV should be proportionate
- ensuring questions and targets are proportionate and clearly described
- different weightings for social value depending on the nature of the bid
- Heat mapping

SUPPLIER ASPECT

- Not all social value actions have cost - just a different decision making process
- Look at opportunities for collaboration - the more organisations working together the less of a cost, the bigger the impact
- Only committing to targets that are proportional and relevant
- ensure commitments are realistic and aligned with resources applied, manage the risk off overpromising
- Look at most meaningful commitments to a local area
- Supply chain mapping/training and understanding

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minimum weighting on all contracts and s/c understanding

Example, labour only s/c procurement, increased weighting for SSE metrics

Supporting buyers to have a thorough understanding of social value that has been committed/delivered in their contracts

SCHOL Social Value and Procurement

How can organisations ensure that social value is a core component of their procurement strategy rather than an afterthought?

CLIENT ASPECT	Setting procurement staff KPIs around social value in contracts	Raise awareness of SV through training. Link the procurement strategy back to the organisational strategy/goals/vision to show how generating SV is important	SUPPLIER ASPECT
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What role do suppliers play in achieving social value through procurement?

CLIENT ASPECT	These platforms allow organisations to select suppliers which will add value and monitor their progress.	SUPPLIER ASPECT	If the supplier has access to social value metrics (e.g. TOMS/ National SVS frameworks) they can select what SV they think they can achieve for the contract and SV outco	•Platforms such as Loop, Sirio and Social Value Portal allow suppliers to understand their impact against a contract.
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SCHOL Social Value and Procurement

How can procurement strategies be aligned with an organization's social value objectives?

CLIENT ASPECT	Top-down approach. If the organisations SV objectives are created at top level and are within the vision, then this should filter downwards into procurement strategies	SUPPLIER ASPECT
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What role does stakeholder engagement play in aligning procurement with social value goals?

CLIENT ASPECT	SUPPLIER ASPECT	Engaging with employees and suppliers about social value is important as they can help generate social value. For example, employees could volunteer to run STEM	Working with communities to understand local challenges could allow for more targeted social value work.
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SUPPLY CHAIN SUSTAINABILITY
SCHOL Social Value and Procurement

How can organisations balance the need for competitive pricing with the pursuit of social value in procurement decisions?

CLIENT ASPECT	SUPPLIER ASPECT
	<p>Having a weighting against SV questions in the ITT's. This will ensure SV is considered (e.g. 10% for SV) as part of the decision-making process during the supplier selection</p>