



BSI roundtable report

Unlocking social value

Inspiring trust for a more resilient world.



Interest in the concept of social value is growing as organizations seek to show social responsibility leadership, embed sustainable practices, and improve how they do business. A recent BSI roundtable enabled several organizations to share their perspectives on this important topic.

Introduction

In this report, we set the scene by offering a definition of social value and explaining why BSI is keen to lead debate in this area. We go on to summarize some of the key findings from our informal roundtable, presenting the thoughts of participants from various backgrounds, including public and private sector organizations, academia and BSI.

Both BSI and the organizations represented are firmly committed to promoting social value and highlighting the benefits it can bring to themselves, to the communities they serve, and to the UK economy as a whole. We hope, therefore, that as well as providing a basis for sharing insights and further debate, this initiative also serves to encourage other UK organizations to join in taking the concept forward.

What is social value?

A useful definition of social value is offered by Social Value UK, the professional body for social value and impact management:

“Social value is the quantification of the relative importance that people place on the changes they experience in their lives. Some, but not all of this value is captured in market prices. It is important to consider and measure this social value from the perspective of those affected by an organization’s work. Examples of social value might be the value we experience from increasing our confidence, or from living next to a community park. These things are important to us, but are not commonly expressed or measured in the same way that financial value is.”

Introduction

Why social value matters

BSI, along with an increasing number of organizations in both public and private sectors, share Social Value UK's belief that, "social value has huge potential to help us change the way we understand the world around us, and make decisions about where to invest resources. By changing the way we account for value, we believe that we will end up with a world with more equality and a more sustainable environment."

There is growing momentum behind the concept. In the private sector, organizations are increasingly prioritizing net social value as a key part of their sustainability agendas, including commitments to the United Nations Sustainable Development Goals.

Legislation is adding to that momentum. The Public Services (Social Value) Act 2012 requires public sector organizations to "have regard to economic, social and environmental wellbeing in connection with public services contracts; and for connected purposes". Since January 2021, all government procurement exercises are expected to evaluate the social value commitments being offered by all potential bidders, and base at least 10% of the final evaluation score on the social, economic and environmental benefits created as a result.



A new British Standard

Coinciding with this legal requirement, in December 2020, BSI, in our role as the UK's National Standards Body, published the first standard to address the concept of social value: BS 8950.

British Standard BS 8950:2020, Social value – Understanding and enhancing – Guide, to give its full title, will be used by procurers and suppliers within the public sector looking to comply with the Act, as well as senior decision-makers and practitioners in organizations aiming to better serve the communities in which they operate. It gives guidance and principles for the understanding, preservation and enhancement of social value – which the standard defines as “wellbeing, in the short and long term”.

The standard focuses on the collection and use of appropriate data for making decisions about social value, and outlines a framework for organizations to assess their contribution to social value. Organizations of all sizes and sectors, including public, private and social purpose organizations working alone or with others, can use the standard to identify the benefits of creating social value, irrespective of how little data or maturity they have.

It sets out a seven-point plan:

1. Start planning for data collection
2. Identify and consult stakeholders
3. Finalize plan and collect data
4. Assure data is good enough
5. Analyze data, develop and consider targets and options
6. Report to stakeholders
7. Consider changes to data collection

David Fatscher, Head of Environment, Social and Sustainability Standards at BSI, says BS 8950 will help organizations to take the first step towards accountability. “Building back better is a commitment that many organizations have pledged through the pandemic,” he says. “With the appropriate level of leadership, vision and implementation guidance, social value can become core to an organization, rather than a box-ticking exercise.”

Why use BS 8950?

The standard is written for decision-makers within organizations, and those who influence or support the decision-making process, to help them:

- Understand their role in preserving and enhancing social value
- Make informed decisions by collecting and using appropriate data
- Adopt a framework for measuring activities and make links with existing frameworks
- Recognize, account for and report on social value
- Outline social value in the context of sustainability
- Identify the benefits of social value, regardless of their level of organizational maturity in this area or the amount of data they hold.

[Click here for the standard](#)

[Download guide to the social value standard here](#)

Key discussion points

Martin Townsend, Global Head of Sustainability and Circular Economy at BSI, opened this online event by welcoming the healthy turnout of senior-level participants. He briefly outlined BSI's interest in social value, our work in bringing BS 8950 to fruition, and our wish to facilitate further debate and collaboration on this important topic.

He then introduced **Chris White MP** as chair of the roundtable. White began by explaining how, 10 years ago, he achieved cross-party support for a Private Member's Bill to create the original Public Services (Social Value) Act 2012.

"I wanted to do something that would bring benefits to my own constituents but also nationally. Commissioners [of public sector projects] also want to see positive change in terms of helping to build more sustainable communities. They care about families, communities, the environment and so on. We're pushing at an open door in asking them to think a little bit more than just 'how much does this contract cost?'. They also want to know what social impact it is going to have in the medium or longer term."

White explained that the Act is about creating 'cultural change' in national and local government procurement ecosystems to go beyond financial aspects of a tender to consider social value. "Procurement is a huge lever to affect livelihoods, communities, the economy,

environment, sustainability and more. On occasion, I have been challenged by local authority procurement professionals saying, 'Chris, this is a really great idea, but we can't afford it'. This has driven me round the bend, because by getting them to think about social value in innovative ways they can deliver cost savings – achieving the Holy Grail of 'more for less'. Instead of measuring the effect on budgets, we should be looking further ahead to outputs and impacts. We should look at tenders in a much more programme-based way, so they can cut across different budgets."

On a positive note, 10 years on from the inception of the Act he pioneered, White sees things improving. Government departments, local authorities and organizations increasingly embedding social value into their procurement policies.

"Now is the time for social value to come to the fore, as we consider our procurement response to the pandemic, Brexit and the government's levelling up agenda. How do we use our procurement policies to regenerate our communities?"

The Roundtable

Jeremy Galpin, Group Digital Social Value Consultancy Lead for construction group Costain, echoed White's optimism. "This is a tremendously exciting time. I see a new recognition globally that investment needs to be socially responsible – accelerated by the pandemic and the carbon challenge. We're looking at the whole methodology around procurement – looking at value in its widest sense," he said.

"For us, social value is about helping our clients look at the overall value of the whole lifecycle of infrastructure projects, and then using technology to capture data and that whole life cost in real time, so you can see what impact you're having on society, and then you can manage your impact – again, in real time."



Jonathan Gawthrop, Executive Director of Wellbeing, Sustainability and Assurance for facilities management company EMCOR UK, outlined two key issues he faces: "defining what social value means specifically for us as an organization, and measuring the effect of what we're doing so we can continuously improve."

"Our starting point was to try to unpick social value from CSR [corporate social responsibility] and sustainability. We came up with a definition and anchored it to our support for the UN's Sustainable Development Goals. We've identified five SDGs we believe we can actively influence, including building and infrastructure, which is referenced specifically under SDG 9."

Gawthrop was among many participants grappling with the challenge of measurement – "We've spent a couple of years measuring activity, especially in the wellbeing space, and now we're at the 'so what?' point. We do a lot, but is it having an effect?"

"Rather than putting a number in a tender box, we need to be able to talk about social value in a qualitative fashion. A good price must also come out of the process, but at the end, rather than the beginning – we need to begin to effect that cultural change."

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Leigh Hughes, CSR Director for construction group Bouygues UK, added that while his company has made great progress, with 20-30% of bidding now linked to social value, it has so far been a largely quantitative exercise – for example, with social value equating to the number of jobs or apprenticeships created.

“How do we become less numbers-driven to meet contract commitments and more qualitative in terms of the social value created? We’ve got prominence for social value now, but to really shift the dial on this, we need better ways of measuring it.”

Richard Davis, Director Responsible for Social Sustainability of construction group Kier, also picked up on this challenge. “Measuring social value is difficult and complex. How do we get consistent measurement?” he asked. “There are at least two methodologies out there, and a plethora of calculation tools. We need a lead on which methodology we should use to avoid more confusion.”

“Local authorities can’t get to the bottom of what the value of the social element is in tender offers – they can’t compare apples with apples.”

Flora Samuel, Professor of Architecture in the Built Environment at the University of Reading, highlighted how digital technology can provide a big part of the solution to the measurement conundrum. She described the ‘Trip Advisor Effect’ of digital transformation:

“We’re not a million miles away from being able to digitally map how and where geographically social value is delivered – and do it in real time on an ongoing basis”.

Samuel pointed out that such technology had been used successfully during the pandemic and that a host of indices now exist on everything from transportation and community facilities to deprivation and biodiversity, and that this ‘big data’ can create intelligent maps that will “make it relatively easy for local authorities to build social value into land value decision-making”. She made a plea to the group: “Please can we spatialize social value’.

Other technology tools were mentioned that could help organizations compare social value ‘apples with apples’. So, too, were other procurement techniques, including reverse bidding, where the cost and the quality of a tender is predetermined, but bidders are required to describe what social value they are willing to add.

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Jacqueline Miller, Commercialization Development Manager at Bristol City Council offered a public sector procurer's perspective on creating social value.

"We were looking at additional value in terms of commissioning, procurement and some other activities, like grant awarding, for some time before the Act came in," she says. "But it was fantastic for us that the Act provided a framework to help us build on that practice, helping us to establish mechanisms for monitoring, quantifying and reporting social value.

We have adopted the PPN [the government's Procurement Policy Notes], but it's still very much an emerging space.

"There is no one framework that opens wide the full suite of measures that enables any organization bidding, or being awarded a grant, to adequately quantify all of the additional value that they're able to deliver through that contract."

Jeremy Galpin noted that the PPN has "moved away from social value targets and is now much more about the quality of your methodology – so we can begin to define, measure and compare social value – it's another step in the right direction."

He continued, "There is an issue in terms of getting rigour around methodology and reporting in order to build trust. We've got to use the principles proposed by Social Value UK in terms of transparency and stakeholder engagement, and take people on that journey by collecting data, showing people what the data is, and getting them to challenge it. In this way, when we pitch for the next big project and point out the social value benefits that will stem from it, people actually believe it. This is an area that standards and BSI assessment and certification services are well-positioned to support."

Jacqueline Miller added, "We have the opportunity now to create a more collaborative process to redefine value, so we're not just looking at financial parameters, with rigid, restrictive contracts, but also incorporating social value. It's difficult to quantify, but that doesn't mean we shouldn't do it. It has a real impact on people and communities."

"We're all on a journey and the willingness of different organizations to come together to collaborate and share good practice, as we are today, is a great step forward."

The Roundtable

Jason Shingleton, Group Innovation Director for pipe and ventilation systems manufacturer Polypipe, reflected a consensus that relationships are a critical element in achieving social value – including supply chain relationships. “There’s a lot of capability and innovation potential all the way through the supply chain that can be utilized. We’re not yet having enough of the right conversations early enough in projects to drag all that value out,” he said.

“What will really make people sit up and take notice is when a client says you’ve lost a contract because you didn’t offer enough social value, rather than because your price wasn’t right. That will mobilize supply chains to start thinking how they can contribute.”

Bristol City Council’s Miller acknowledged potential barriers to collaboration in traditional public procurement processes, where price often drives the initial award of a contract and, when a relationship has been established, forces a review. “Again, we need a change in culture to be able to work collaboratively and become outcome-driven, rather than bound by prescriptive, cautious, step-by-step contracts.”

Chris White had a stirring final word on the issue of authenticity: “Above all, to avoid the trap of a ‘tick-box’ exercise, we’ve got to believe in social value before we do it. And we must get the people who aren’t at today’s roundtable to believe in it.”



About BSI

Empowering organizations to be ready for the future

As the financial, environmental, and social climates of our planet continuously shift, BSI's founding purpose to benefit society is more relevant now than ever before.

By shaping, sharing, embedding, assessing, and supporting industry best practice, for 120 years BSI has equipped organizations with the tools and techniques they need to turn today's challenges into tomorrow's opportunities.

Working globally across a range of sectors - with specialist expertise in automotive and aerospace, the built environment, food and retail, and healthcare - BSI offers a range of services and solutions to make organizations worldwide more trusted and resilient. We adopt innovative technology and processes to offer our services in an efficient and effective manner, partnering with our clients to embed sustainable behaviours for the long-term benefit of their people, their customers, and our planet.



We're committed to helping our clients demonstrate social value and are able to support in a number of ways:

- We can deliver a customized audit programme for Social Responsibility using the guidelines/principles contained within the ISO 26000 standard. The outputs can include a comprehensive audit report identifying gaps and opportunities for improvement and an external facing Verification Statement which demonstrates that BSI has delivered an independent review with a high-level summary of our findings. As we're not bound by the requirements of an accredited certification scheme, we can fully customize the approach, scope and outputs.
- We can also deliver an audit programme using an existing BSI template. This audit focuses on working hours, forced labour, wages and benefits, health and safety, environment, disciplinary practices, freedom of association, discrimination, homework and other applicable laws. This template can be adapted to meet the needs of your own requirements.
- We can audit you using an Industry Association framework (eg. SMETA)

If you would like more information about any of the above services, please email info.in@bsigroup.com

Note: As an accredited certification body, BSI Assurance cannot offer certification to clients where they have also received consultancy from another part of BSI Group for the same management system. Likewise, we do not offer consultancy to clients when they seek certification to the same management system.

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