



Wales Centre for Public Policy
Canolfan Polisi Cyhoeddus Cymru

Embedding social value in procurement: practice case studies

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Introduction

This report was commissioned by the Welsh Government and conducted by the Centre of Public Value Procurement, Cardiff University. It is accompanied by video interviews recorded by a Welsh SME, EatSleepMedia, to enhance our understanding of different perspectives on embedding social wellbeing in procurement contracts.

Procurement reform in Wales (and the wider UK) is fundamentally changing the way goods and services are procured. The publication of this report coincides with the introduction of new legislation: the Procurement Act 2023; the Social Partnership and Public Procurement (Wales) Act 2023; and the Health Service Procurement (Wales) Act 2024. Socially responsible procurement has advanced significantly, and there are now greater expectations for public procurement to focus less on process and more on delivering better outcomes for society and the communities they serve. This presents an unprecedented opportunity to improve our understanding of social value and how it aligns with the Well-being of Future Generations (Wales) Act 2015.

It is important to note that in the United Kingdom, the emphasis on social value aligns with the Public Services (Social Value) Act 2012. In Wales, the Well-being of Future Generations (Wales) Act 2015 is the main legislative driver. This Act uses terms such as well-being, value, benefits, and outcomes, which are the Welsh Government's preferred concepts, rather than social value. The term social value normally refers to societal (community), environmental and economic drivers, but in Wales there is an additional emphasis on culture, promoting heritage and Welsh language at every opportunity. Further, the Social Partnership and Public Procurement (Wales) Act 2023 promotes Fair Work which adds another dimension to societal benefit in Wales. Fair Work is such a strategic priority in Wales, in demonstrating alignment between the two statutes, it is now part of the Future Generations Act written under the goal, A Prosperous Wales. This new Act is the first piece of primary legislation on procurement in Wales. It promotes socially responsible procurement and ensures that any work commissioned by contracting authorities is done in a fair and responsible manner leading to better outcomes for the communities in which they serve.

Who is the report for?

This report is aimed at supporting procurement and other professionals in their practice, draws on seven exemplary case examples to demonstrate how social, environmental, economic and cultural wellbeing (social value) outcomes can be delivered and embedded through procurement practices. Accompanying video interviews provide a quick and easy grasp of the main learning outcomes for each case. These interviews are published in English with Welsh subtitles.

Defining social value

In Wales, social value is defined through the Well-being of Future Generations (Wales) Act 2015. This legislation places a mandate on public bodies to consider the long-term impact of all decisions. In procurement, this refers to contract decisions and maximising the social, environmental, economic and cultural impact of them.

In the United Kingdom, the professional body for social value is Social Value UK, which offers a clear definition of what social value is and why it is important.

“Social Value is a broader understanding of value. It moves beyond using money as the main indicator of value, instead putting the emphasis on engaging people to understand the impact of decisions on their lives. The people’s perspective is critical.”

Organisations will always create good and bad experiences, but on balance should aim to create a net positive impact in the present and for a sustainable future. They should measure their impacts and use this understanding to make better decisions for people”.

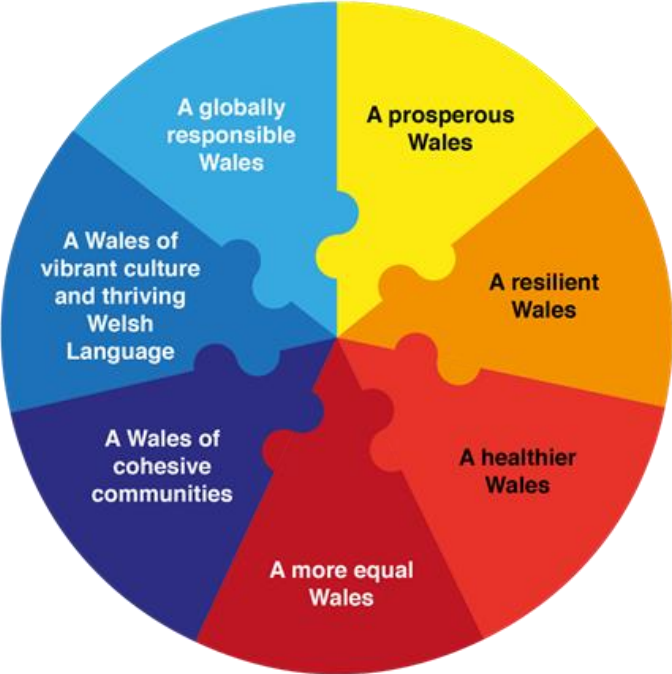
(Social Value UK, n.d.)

Globally, social value is not a new concept. Nordic countries (Sweden, Norway, Finland, and Denmark) consistently score highly on the Social Capital Index (SolAbility, 2023). The Netherlands and Italy have a proven track record of delivering social, economic, and environmental impacts through socially responsible procurement. In Netherlands the focus is on developing employment measured as social return on investment (SROI) from public contracts (Vluggen et al., 2020). Italy builds a social economy by focusing on social enterprises and forming clusters or cooperatives (O’Byrne et al., 2015). Moreover, Canada (Denny-Smith et al., 2024), and New Zealand (Allen, 2021) emphasise inclusive cultural aspects, ensuring the needs of indigenous communities are met. While evidence of applying social value in procurement seems apparent in many countries, some of the most cited research comes from Australia with a focus on the construction industry – please refer to the Annex for further insight.

Socially responsible procurement in Wales

The traditional focus of socially responsible procurement in Wales has been on community benefits: creating employment opportunities and skills development, especially targeting vulnerable groups, such as people with disabilities or those facing long term unemployment.

There are established research links between social value and procurement with initial trials in construction due to the higher value of these contracts (Selviaridis, Luzzini and Carlos, 2023). In Wales, this has been calculated as the economic multiplier effect, i.e., understanding how much of every £1 spent is reinvested for the benefit of people living and working in Wales. This demonstrates that public procurement should be recognised as a significant contributor to society.



Achieving well-being outcomes from procurement contracts in Wales needs to be viewed through the lens of the Social Partnership and Public Procurement (Wales) Act 2023 (SPPPA), which builds on the Well-being of Future Generations (Wales) Act 2015 (WFGA). The Welsh public sector, the largest user of goods and services procured from Wales with an annual spend of over £8 billion, is also guided by the **Wales Procurement Policy Statement** (WPPN 01/20) (Welsh Government, 2023). The SPPPA includes duties that require public bodies to report annually on well-being outcomes delivered through public procurement. Public sector bodies include the Welsh Government, 22 Local Authorities, 7 Health Boards, 3 all-Wales NHS Trusts, 3 Fire and Rescue Authorities, 3 National Park Authorities, 4 educational bodies, and other publicly funded institutes including universities, colleges, commissioners, libraries, museums, art establishments, and sports organisations. Not all public bodies are required to adhere to the SPPPA, yet its principles, such as ways of working and well-being goals, represent good practice.

Case selection

The aim is for the selection, detail, and presentation format of each case study to inspire and inform procurement practitioners on embedding social wellbeing in contracts to optimise public spending. Each case highlights various stages of the procurement process, from strategy and planning to tendering, contracting, and contract management, with top tips shared for enriched learning.

The seven cases for the video interviews are selected considering multiple criteria:

- Taking a **foundational economy approach to select categories of spend**. This approach requires directing business growth opportunities in specific industry sectors through the procurement of products and services that every citizen relies on for keeping us safe, sound, and civilised. These industry sectors such as housing, education and food form the foundational economy in Wales (Welsh Government, 2021).
- Using the **CIPS Procurement Cycle** – the cycle comprises 13 stages of decision making (CIPS, 2022). The challenge is to understand how to embed social value through community and supplier engagement at different stages of the procurement process.
- The report offers a balance between **procurement and supplier perspectives**. The first three cases (1-3) represent the supplier perspective. The final four cases (4-7) represent a procurement (byside) perspective.

The seven case studies are summarised according to these criteria in Table 2 below.

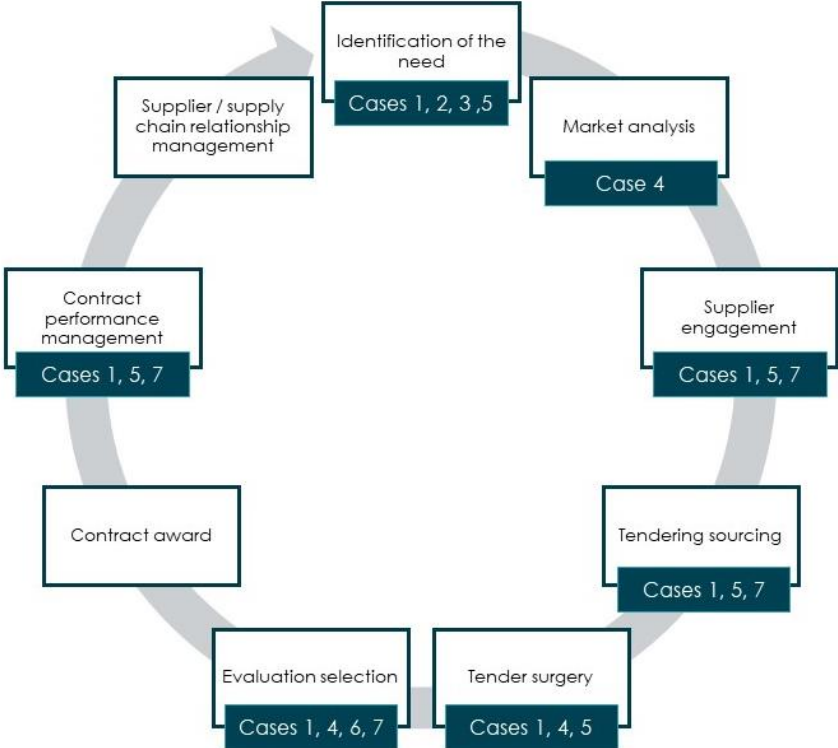
Table 2: Overview of case studies

Number	Perspective	Category of Spend	Organisation	Social Value Focus
1	Supplier	Children's Social Care	Adopting Together, St David's Children Society	Early involvement and collaboration between the voluntary sector and public bodies.
2	Supplier	Service	ANTZ	A programme supporting ex-offenders helping them back in to the workplace.
3	Supplier	Energy	Bute Energy	Emphasis on building awareness of the community and voluntary sector organisations in the community.

Number	Perspective	Category of Spend	Organisation	Social Value Focus
4	Procurement	Food	Caerphilly County Borough Council	Focusing on the right procurement process to attract more micro firms and SMEs.
5	Procurement	Adult Social Care	Marleyfield Care Home, Flintshire County Council	Focusing on employment opportunities for vulnerable communities even through a crisis period.
6	Procurement	Infrastructure	National Highways	Focus on impact rather than value - offering a programme supporting veterans and helping them back to work.
7	Procurement	Sustainable Packaging	The Royal Mint	Moving sourcing of packaging from China to a local firm.

To demonstrate how social value can be embedded at different stages of the procurement process, the CIPS Procurement Cycle (CIPS, 2022) is used for a mapping exercise, aligning each case study with different stages of the process. Each case (1-7) is mapped against the stages of the cycle, as seen in Figure 3.

Figure 3 – Cases mapped against the CIPS Procurement Cycle



Interview themes

To understand how different organisations embed social value, the following five research themes were used to structure the interviews.

- Defining social value.
- Embedding social value in tenders.
- Understanding social value in practice.
- The extent to which the principles of the Well-being of Future Generations (Wales) Act 2015 are embedded.
- Three top tips for others getting started on the social value journey.

Case studies

Case 1: Adopting Together (Supplier Perspective)

Interview with Wendy Keidan, CEO, and Jason Baker, Deputy Director, both of St. David's Children Society

St David's Children Society, a small charitable voluntary adoption agency, works predominantly within a large public sector. Adopting Together, a service created through a Knowledge Transfer Partnership with Cardiff University, is a collaborative effort involving Barnardo's, Adoption UK, and the National Adoption Service. In terms of procurement, this case demonstrates how a move away from spot purchasing of clinical psychology support to service level agreements for a process which embeds support from day one delivers far better outcomes for some of our most vulnerable children in Wales.

Defining social value

Before the Adopting Together service, the leadership team at St David's viewed social value as a new concept. Their understanding has since improved significantly, supported by growing sector interest. St David's defines social value as enhancing children's outcomes while delivering financial savings and value for money to stakeholders. The interview participants believe the Knowledge Transfer Partnership helped them break down the concept of social value by i) communicating its importance and understanding the benefit for all stakeholders, and ii) improving outcomes for children, along with long-term cost savings. They assert that a deeper understanding of social value has led to improved supplier and client relationships, bringing critical results for some of the most vulnerable children who through no fault of their own find themselves in long term care.

Social value in practice

St David's contends that addressing Adverse Childhood Experiences (ACEs) requires a deep understanding of them. This understanding could reduce the need for services such as adolescent mental health services or prevent issues like dropping out of education or training that can lead to unemployment and even homelessness. ACEs, linked to deprivation of children's basic needs, may include inter-family conflict, unresolved conflict within family dynamics leading to divorce, parental mental ill health, parental dependency on drugs or alcohol, or domestic violence, all contributing to neglect and early trauma. Adopting Together supports children transitioning from foster care into stable adoptive care. Remaining in long-term foster care can detrimentally affect children's wellbeing and long-term outcomes. Foster care is also extremely costly to the public sector whereas child adoption can lead to at least £1.3m in net benefits to a young person, their families and other stakeholders (Clifford,

2022). Adopting Together has successfully found families for 28 children who might have remained in long-term foster care, resulting in an estimated Social Return on Investment of over £36 million but more importantly it leads to longer term stability for the children and overall better outcomes.

Challenges with procurement and how to overcome them

One of the significant decisions and challenges facing local authorities to protect vulnerable children is deciding whether to keep them in long term foster care or child adoption – the placement of both options presents further debate to either manage inhouse (via the local authority) or to outsource using specific charitable fostering and adoption organisations (Shelton et al., 2020). Therefore, organisations such as St David’s find themselves in a position where they may be in direct competition with local authorities and in the case of adoption, needing to collaborate. There have historically been some barriers preventing the use of charitable organisations – this includes entrenched ways of working, and the severe budgeting constraints within public sector departments which has led to a debate on whether the public sector could deliver good quality services in-house rather than outsourcing them. Placing the child’s future at the centre means that procurement may examine all delivery options and find the one that is optimum for the child.

The Adopting Together service was designed placing the best interests of the child and their adoptive family first before an in-depth understanding of the in-house cost structure. Early communications in the procurement cycle with key stakeholders ensure the service is not substantially overpriced.

Alignment with the WFGA

The WFGA is integral to the strategic thinking and service design of Adopting Together, especially when it comes to the ways of working. All five proposed ways of working are embedded in the delivery of adoption services through Adopt Cymru 2025. This long-term approach creates more opportunities for children to be placed within Wales, enabling them to be raised in their birth culture. Collaborative working was essential across consortium of service providers and between the consortium and statutory bodies. In terms of integration, the focus was on the improved wellbeing outcomes for children who are adopted, which are generally better compared with those placed in long-term foster care. The involvement of key stakeholders to improve the adoption process and integration of fostering and adoption services also provides greater and longer term stability for children and better support for foster carers. St. David’s are leaders in this but recognise that further research is necessary to understand the impact of adoption on both the child and their adoptive family’s welfare and wellbeing. Professor Katherine Shelton of Cardiff University’s School of Psychology continues to conduct research evaluations in understanding the concept of parental efficacy – i.e., if children are well supported, cared for, and have empathic parents, they can grow

and thrive. To this effect, prevention becomes a more important focus to enable better outcomes for the children and adoption families.

Top three tips for starting the social value journey

1. **Know and understand your market** - Understand the sector you are operating in, identify opportunities, and engage with key stakeholders to understand how your organisation can contribute.
2. **Financial sustainability is key** – As a voluntary adoption agency (VAA), St David's must maintain financial sustainability. This involves developing and constantly reviewing competitive advantages.
3. **Form and continue to develop important stakeholder relationships** – Use these relationships as a platform to lead to other opportunities.

[You can read more about St. David's Children Society and Adopting Together here](#)

Case 2: ANTZ UK (Supplier Perspective)

Interview with Jen Pemberton, CEO and Founder, and Christian Sait, Director, ANTZ UK

Introduction

ANTZ UK is both a charity and a social enterprise. ANTZ aspires to be more than a responsible business, aiming to change people's lives. ANTZ Cymru, launched in 2022, provides consultancy services in Wales that support responsible business growth while simultaneously impacting society.

Defining social value

ANTZ defines social value as a mechanism to reduce costs to society and improve people's lives. It works best when it is business-led and community-driven, a key to ANTZ's success. However, having a clear definition of social value is not enough, it must also be delivered correctly. Social value is not without risks, and if not understood or managed well, it can bring unexpected negative impacts on people's health and even lives. Social value should be as important to any organisation as its brand, employees, and commercial goals. ANTZ has developed the 'ANTZ responsible framework', enabling organisations to deliver social value in a person-centred, responsible manner, managing risks to individuals and organisations.

Social value in practice

Social value can take many forms, and while most intentions are positive, sometimes efforts can have a reverse effect. ANTZ refers to the dangers of a 'tick box mentality', which can drive the wrong behaviour. They emphasise the importance of aligning social and commercial strategies, enabling businesses to grow commercially whilst giving something back to the community. Without a clear framework, even with the best intention, social value can pose risk. One example involves a first-time offender:

Near release, he received training and was offered a job. After his release, he took out a private loan to buy a car to overcome travel difficulties to his new employment, while also sleeping on a friend's sofa to limit travel distances. However, upon arrival at work, he was told the job was no longer available. This individual was left with a loan and no income putting him at high risk of reoffending. A few weeks later, not realising what had happened, ANTZ carried out a routine call to check progress. On further investigation with the procuring organisation, it was later explained that the situation arose because the business had set a specific number of target KPIs. The social value target was to employ 30 people. This individual was number 31. This example illustrates that, without a structured framework approach to managing social value, despite good intentions, getting it wrong can have detrimental and sometimes irreversible negative impacts.

As a result of mismanaged incidents like this of which there have apparently been many, ANTZ has designed social value training and a risk framework for better managing outcomes to ensure that greater positive impact is made.

The important role of SMEs and VCSEs in the supply chain

SMEs and VCSEs are crucial in embedding social value. While tier one suppliers may commit to social value initiatives, they often depend on supply chains that include a high proportion of smaller businesses and charities. A lack of consistently applied standards or frameworks can lead to a 'scatter gun' approach, which is not beneficial for any stakeholders. The ANTZ model provides a person-centred and structured approach to create impact for all parties, both commercially and socially. The interview participants highlight that if a business does not grow commercially, it will not have the resources and capacity to contribute socially. They also re-emphasise that charities and community groups are pivotal in delivering social value, but are often undervalued and expected to provide services for free, despite the essential nature of their work in supporting marginalised communities, which are sometimes targeted with inappropriate social value objectives.

Challenges with procurement

This supplier felt that the criteria set in procurement processes often do not align with the potential social value that could be achieved. For example, when a procurement team issued a contract for community independent living around mobility, their focus was solely on the number of electric vehicles the contractor had, given the ease of managing and measuring this aspect. This approach neglected potential initiatives to embed social value for the community, leading to perverse incentives, stifling innovation from the private sector, and sometimes excluding SMEs and social enterprises from participating in supply chains. ANTZ strongly believes in looking forward and recognises that legacy and collaboration are key. The challenges highlighted in this case further endorse the importance the ways of working (collaboration, involvement, prevention and long term thinking) when trying to achieve the well-being goals.

Alignment with the WFGA

When ANTZ Cymru was established in 2022, their work centred around aligning the client's social value strategy with one or more of the seven well-being goals. ANTZ supports organisations in developing a sustainable social value strategy, emphasising the importance of accountability and reporting. Passionate about this, ANTZ launched a social enterprise called Technology for Society to ensure social value is measured and reported in a person-centred way, focusing on an individual's journey, rather than simply on fiscal measurements. This approach encourages greater transparency and accountability, in line with the principles of the WFGA.

Top three tips for starting on the social value journey

1. **Increase your organisation's knowledge** of social value and revisit your strategy.
2. **Be person-centred** – Social value is not just a tick box exercise. Social value training could be a great starting point for aligning your organisation's commercial and social strategies.
3. **Implement a structured approach.** Your organisation needs to understand and manage internal risks, as well as those of other organisations and communities you work with. A robust framework and a strategy that extends through your supply chain creates a more equitable platform for people across Wales.

[You can read more about ANTZ here.](#)

Case 3: Bute Energy (Supplier Perspective)

Interview with Catrin Newton, Community Benefit Director, Bute Energy

Introduction

Bute Energy is a developer of onshore wind and solar energy parks in Wales, utilising the latest technology to deliver low-cost renewable energy. While being privately owned their sole focus is to deliver public good. Bute focus on designing renewable energy parks specifically for Wales. Bute's strategy is anchored in a founding principle: to maximise investment in Wales for the benefit of Welsh communities.

Defining social value

Bute Energy interprets social value as defined in the Public Services (Social Value) Act 2012. This legislation requires all public sector organisations and their suppliers to consider more than the financial cost of a contract. They must also contemplate how the services they commission and procure can enhance the economic, social, and environmental wellbeing of an area. Some of the examples in this case align well with what has traditionally been known as Welsh community benefits.

Embedding social value in tenders and the procurement process

One of the key messages from Bute to anyone starting their social value journey is the importance of remembering that not everyone is an expert in social value. They advise being clear about your requirements and providing examples of the type of activities that qualify as social value. Bute assigns internal champions who specialise in delivering social value and support tender writing. They find that many smaller contractors apply social value effectively – they employ local people, give back to their communities, sponsor activities, and generally invest locally. However, they do not always recognise these activities as social value.

Social value in practice

When you design in social value, it should focus on the urgent needs of the community or the communities where you are looking to invest. Social value should be targeted to the direct needs of different communities, which requires community engagement. It is not about parachuting in and trying to provide solutions you think they need or trying to reinvent the wheel. Engaging with the community leads to a deeper understanding of what is needed, wanted, and necessary for that community to thrive. By aligning your company's skillset and resources, you can deliver and add value to those communities.

Engaging the supply market with embedding social value

Bute has developed a social value standard that forms part of their tender process. They consult and guide contractors to develop a 12-month delivery plan of social value, ensuring it is based on the needs of each community they are delivering to, as well as their own interests and skill sets. Contractors adopting the standard work towards achieving one of three Bute awards: Pen y Fan (indicating they are starting the social value journey); Cadair Idris (working towards full commitment) Yr Wyddfa (the highest award for achieving shared commitment).

Bute understand that if individuals are interested and passionate about a societal issue, they are more likely to deliver and contribute more. Therefore, Bute aims to align employee personal interests and skill sets with community needs – ensuring the 12-month plan addresses the aspirational needs of that community.

Bute provides a means of recording the impact of social value generated through various activities. After which they encourage celebrating if contractors deliver beyond what is expected, favouring activities or initiatives that leave a legacy for the community in which they operate.

Alignment with the WFGA

Bute Energy delivers against five forecasted themes that are closely aligned with the WFGA. These include helping and supporting communities through the cost of living crisis; improving education opportunities especially for those with learning difficulties; improving employability opportunities for those in disadvantaged communities; improving the culture of the organisation to embrace these social value opportunities, raising awareness of the natural environment; and the importance of recreation and health.

To illustrate Bute's focus on future generations, in partnership with Engineering Education Scheme Wales (EESW STEM Cymru), sixth form female pupils visited the Bute office to learn about the varied roles of female colleagues within the business and their journey into the STEM industry. Bute is now a volunteer assessor for the ESSW STEM sixth form project competition and will be part of the adjudication process at the awards ceremony in March this year. Bute has also sponsored the 'Best Appreciation of Environmental Issues' prize for the second year running.

Evaluation and monitoring

Bute helps community partners justify the impact they are having, demonstrating how further funding may help them reach their potential. This is particularly relevant in the charity sector, where charities can be adept at delivering services but not as proficient at celebrating the impact of their work.

Top three tips for starting on the social value journey

1. **Do not reinvent the wheel.** There is a lot of good practice case evidence available.
2. **Be more targeted** to enable a more meaningful activity led by the local community.
3. **Be ambitious** – communities in Wales deserve for us to be ambitious with the level of investment that is available.

[Further information about Bute Energy can be found here.](#)

Case 4: Food Frameworks – Caerphilly County Borough Council (Procurement Perspective)

Interview with Rhys James, Principal Officer, and Jemma Ford, Principal Supply Relationship Officer, both of Caerphilly County Borough Council.

Introduction

Caerphilly County Borough Council is leading important changes in Wales, moving beyond the lowest cost to best value in procurement. Historically, the lowest cost has been the primary focus for food procurement in local governments and NHS Wales. Food has been identified as a growth area for Gwent, and Caerphilly Council is at the forefront in Wales for the progressive procurement of food as a category of spend. This case illustrates how using a framework approach to procurement enables Caerphilly Council to deliver greater social value and, importantly, what that value looks like in practice.

Define social value

Caerphilly Council defines social value as its commitment to prioritising social, economic, and environmental wellbeing for the community and all its partners. They recognise that delivering and measuring social value requires flexibility and a collaborative approach with the supply chain. Their social value policy focuses on several key initiatives, including support for local businesses and SMEs, community wealth building, the foundational economy, and the circular economy.

Embedding social value in tenders

In relation to the food tender, Caerphilly Council chose to use the Welsh Government TOMS (Themes, Outcomes and Measures) framework to embed social value (Social Value Portal, 2020). The framework approach was considered relevant because it offers a more flexible process than a Dynamic Purchasing System (DPS). Food procurement required a longer-term investment decision, and breaking down the contract value into multiple lots meant that multiple suppliers could be offered the opportunity to supply. There are almost 150 lots across various commodity areas, making this a tried and tested approach. However, it did raise concerns about the application of social value. Frameworks do not normally deliver well on social value as they can be non-committal, with no guarantee of work for the contractor. Therefore, the TOMS framework was adapted to ensure that local suppliers could offer and use a more structured approach to social value. Areas known to be prevalent issues in food procurement include mitigating modern slavery and promoting fair work. While questions of due diligence are included in the pre-qualification stage, these issues cannot be resolved

without effective contract management systems in place. This is an area that Caerphilly Council is still developing.

Social value in practice

The Caerphilly Council team decided early on to adopt a slightly different approach for the food framework as defining social value in such a broad area as food is challenging. Using the TOMS framework, Caerphilly Council centralised decision-making, which helped other stakeholders to understand what could be achieved across multiple areas. The TOMS measurement tool allowed them to prioritise and share measures as a guide for suppliers who would pick what they could supply. The procurement involved opportunities for both large and small suppliers. Each supplier who was successful within the framework would be required to share their Social Value Delivery Plan, which would then be followed up in the contract management process.

Engaging with the supply market

The key driver for Caerphilly Council was to support the local supply chain, which led to a pre-engagement exercise to first identify a list of local suppliers. They aimed to ensure coverage for all lots in the food framework. Market engagement was critical from the outset due to the large number of suppliers required to bid. Caerphilly Council held multiple pre-engagement events, procurement clinics, and social value events to give supply chain members an opportunity to contribute their knowledge. These events provide procurement with a deepened understanding of the supply market which helps them shape the framework, for example understanding the lotting structure required with the aim of encouraging more SMEs into the tender process.

Alignment with the WFGA

Food is one of the few categories that can address all seven well-being Goals of the WFGA. The local supply market and the food framework were designed with these benefits in mind, excited by the prospects these principles could bring. Since the coronavirus (COVID-19) pandemic and the launch of free school meals, there has been a strong drive towards local sourcing of food. In partnership with WRAP Cymru and Size of Wales, and a deforestation charity in Cardiff, Caerphilly Council developed a procurement toolkit relevant for food. This includes definitions for deforestation products such as beef, soy, and palm oil, which were included in tenders.

Top three tips for starting on the social value journey

1. **Understand your commodity area** and ensure that you align your social value requirements with the procurement you have undertaken. Ensure that your key drivers for social value in the commodity area are communicated upfront to potential

bidders through early engagement opportunities. Engage the supply chain in the journey to foster innovation.

2. **Utilise external experts**, and do not hesitate to use them, but ensure that the appropriate narrative is included within the procurement documentation and mechanisms are in place for ongoing contract management and continuous improvement.
3. **Support and collaborate with the supply chain** to achieve targets and work together to develop new initiatives that bring mutual benefits for the client and other public sector bodies.

[More information about the Food Strategy in Wales can be found here.](#)

Case 5: Adult Social Care – Flintshire County Council (Procurement Perspective)

Interview with Neil Ayling, Chief Officer for Social Services Influence, Flintshire County Council.

Introduction

This case focuses on Marleyfield Care Home, which has increased capacity for older people and enhanced outdoor space for their wellbeing. Flintshire's Council's £8.5 million investment in Marleyfield Care Home is an excellent example of the Council's commitment to investing in critical services. The care home addresses the complex needs of elderly residents and exemplifies Flintshire Council's dedication to investing money in essential services. It is part of Flintshire Council's approach to addressing the extreme pressures and fragility in the care sector across Wales. With an ageing population and increasingly complex needs, the demand for specialised care homes is set to rise. A procurement framework was designed where social value is integral, supports the entire lifecycle, improving the procurement journey for buyers and suppliers, stimulating local growth in communities, and delivering more demonstrable outcomes on projects.

Defining social value

At Flintshire Council, from a public sector perspective, social value is defined as the effective use of scarce resources, looking beyond their actual cash value to achieve additional collective benefits for the community. Every time a pound is spent on service delivery or a building project, Flintshire Council considers what can be achieved over and above the contract terms to deliver wellbeing benefits for the community.

Embedding social value in procurement

Social value resonates strongly within the health and social care sector, creating motivation and enthusiasm among employees working in social services, driving them to achieve more for communities. Flintshire Council assert that social value needs to be embedded throughout the organisation as one voice. Having a social value strategy that covers every service portfolio ensures that contractors recognise the importance of social value in Flintshire, bidding for work on that basis. Clear communication and effective collaboration have been critical between Flintshire Council and contracting organisations to ensure maximum social value outcomes for communities.

Social value in practice

Marleyfield Care Home is a unique case example because it was constructed during the COVID-19 lockdown period. Despite the challenging circumstances, Flintshire Council is

proud of the outcomes in creating 'first-class' facilities. The total contract amount was £8.5 million, with a target for delivering £430,000 in social value benefits. Flintshire Council exceeded this target, and the contract subsequently unlocked a further £1.3m of social value through initiatives such as apprenticeships, traineeships, full-time employment opportunities for local residents previously Not in Employment, Education or Training (NEET), over £2m spent in local supply chains, and 264 hours of staff volunteering time delivered to support local community projects, 60 hours supporting local people into work through employability initiatives, 97% of waste diverted from landfill, and other water and carbon reduction savings. More practical outcomes included donating outdoor furniture and working with the local theatre to donate gifts to vulnerable families. Local primary school pupils were digitally connected with Marleyfield's residents for an intergenerational project, leading to joint learning and mutual respect between the generations. Additionally, a Virtual Building Blocks programme for carers focused on wellbeing, with local, young unemployed people addressing employability and wellbeing issues, supported with CV writing to help them gain work experience.

Engaging with the supply market

Marleyfield exemplifies successful supply market engagement. A key element of its success is attributed to listening to suppliers during regular supply chain events, where social value was discussed in-depth. Tier 1 contractors held supply chain awards, and through this case, they demonstrated specific social value outcomes to subcontractors. However, the challenge of embedding social value can be compounded by tight margins, emphasising the importance of joint commitment between the client and the supply market.

Alignment with the WFGA

Flintshire Council values its membership in the Welsh Local Government Association (WLGA), and Neil Ayling chairs the North Wales Social Value Network. His role is unusual for someone with a social services background and is a testament to the region's commitment to developing social value. The Council's plans and priorities are guided by the legislative requirements of the WFGA. It requires long-term thinking and embodies principles to overcome service delivery issues. The Act has been instrumental for Flintshire Council to improve its social value outcomes, providing a clear framework for understanding and embedding wellbeing. Flintshire believe it helps to improve the lives and wellbeing of citizens, individuals, and families in other councils.

Top three tips for starting on the social value journey

1. **Speak with one voice as an organisation**, regardless of your size or type – develop a unified perspective on social value and commit to an approach, as it can eliminate a lot of unnecessary discussion or 'turf wars'.

2. **Listen to and involve the community**, ensuring you understand the community's priorities. Work on these rather than on projects that might become 'white elephants' in five to ten years.
3. **Work in partnership** – listen to everyone involved in the delivery of these important services, as each perspective is crucial. Ownership and collaborative problem-solving are more effective than a singular approach. Collaborative work often yields greater insight.

[If you want to know more about Flintshire Council's commitment to social value click here.](#)

CASE 6: Infrastructure – National Highways **(Procurement Perspective)**

Interview with Jo Wilkes, Head of Procurement, National Highways.

Introduction

National Highways manages and improves England's motorways and major A-roads, aiming to provide users with safer, smoother, and more reliable journeys. They believe that suppliers are crucial to their success and in delivering safe and reliable journeys for road users. The work undertaken by their supply chain is extremely diverse, and they expect suppliers to support environmental priorities concerning consumption, production, and sustainable communities. National Highways also seeks to promote fair work practices to prevent modern slavery, encouraging transparency from suppliers.

Defining social value

National Highways prefers the term 'social impact' over 'social value' because they believe it is more action-oriented. Social value is about ensuring that every pound of taxpayers' money spent achieves the best economic value within the community, but the reference to social impact ensures that they are making a difference not just to roads, but also in the local community. National Highways seek to work with partners who are genuinely committed to joining them on the journey towards achieving greater social impact.

Social value in practice

At National Highways, social value varies from project to project. As the business involves creating new roads, it is vital to counteract the resulting carbon emissions, for example, by planting extra trees to improve biodiversity. As part of their organisational initiatives for 2030, National Highways aims to plant an additional three million trees and contracts multiple social enterprises to help them achieve this.

Another significant initiative is providing work opportunities for veterans, recognised as individuals who may struggle with conditions like post-traumatic stress disorder (PTSD). Giving them roles in tree planting helps reintegrate them into the workforce and working as part of a team. National Highways also contracts organisations that work with ex-offenders, aiming to facilitate their return to work. Road signage is sourced from suppliers who employ veterans, disabled veterans, and other disabled communities. National Highways contend that it is crucial to give back to the community in an actionable way, delivering greater social impact.

Embedding social value in DPS and evaluation criteria

The social value journey began in 2019. Using Procurement Policy Note (PPN) 06/20 as a reference point for a £3.6 million Scheme Delivery Framework, a social value question was added to the tender document. However, National Highways contend that it is crucial and was initially challenged by others outside of procurement in the organisation, and suppliers also found it difficult to articulate social value in tender proposals. It was a learning curve for all, and after a few years of engaging suppliers, the impact has been significant – for instance, 1400 apprenticeships have since been created. The **Dynamic Purchasing System** (DPS) or preferred supplier list has made it easier to reach social enterprises. The aim is to simplify contracting for SMEs and social enterprises. One method of improving social value outcomes is to consider the weighting of evaluation criteria. The PPN 06/20 suggests that 10% of the scoring criteria should be for social value. Often, this becomes the deciding factor between companies bidding, as there may not be significant differences in their quality aspect. Instead of being 10%, social value is now often 15-20% of evaluation criteria. Scoring mechanisms have also evolved – in 2019, if suppliers achieved 50% of the desired outcomes, they would receive a good score. Today, expectations are much higher, as many suppliers are capable of delivering much more.

Engaging with the supply market

This case exemplifies the importance of designing effective early supply chain engagement. National Highways offers tender clinics to better engage suppliers and improve their understanding of social value. Through these events, they have learned that suppliers often have expertise in delivering social value. Engaging the supply market is often challenging, and engaging with social enterprises has proven to be even more so, requiring considerable effort from all involved. Many social enterprise owners are time-poor, as they do not have high business turnover and need to juggle other day jobs. Therefore, National Highways offers tender clinics on weekends and evenings. They promote them as learning and social occasions, and the effort is paying off. Tender clinics provide an opportunity to teach suppliers, especially smaller ones, new skills such as filling in a commercial submissions, getting the right insurance, or using Excel spreadsheets. Suppliers generally appreciate the support and learning opportunities.

Top three tips for starting on the social value journey

1. **Do the quick wins first.** Low-value items such as stationery or janitorial products could be sourced from a social enterprise, which often offers much greater value for money than mainstream suppliers.
2. **Talk to your supply chain** – you may be surprised at how much your suppliers are already doing, such as supporting the local community, working with the local football

team, or a local college. Piggyback and work together, as it can invigorate the team and encourage thinking outside the box.

3. **Raise a query about social value** – companies bidding for work should ask the client what is important to them. For example, what is your focus area on social value, or what is important to that project team? Suppliers often propose interesting examples, but these may not align with the client's objectives.

[You can find out more about National Highways approach to procurement here.](#)

CASE 7: Sustainable Packaging – The Royal Mint (Procurement Perspective)

Interview with Stephen Pickard, Strategic Sourcing Manager, The Royal Mint

Introduction

The Royal Mint (TRM) is the largest and most technically advanced minting facility in the world, and based in Wales. TRM produces more than 3.3 billion coins and blanks a year, plus medals and other collectable items for over 60 countries. The Accounting Officer from HM Treasury is responsible for The Royal Mint Trading Fund and its subsidiaries, The Royal Mint Limited and The Royal Mint Museum. In TRM procurement, there is a duty to safeguard public funds, ensuring propriety, regularity, and value for money. This case explores how TRM applied social value principles for procuring innovation in new packaging from local suppliers.

Defining social value

Social value closely aligns with the values of TRM as an organisation. When referring to social value, they focus on the longer term and the bigger picture of what can be achieved through procurement, which includes environmental, social, and economic outcomes. The terms sustainability and social value are often used interchangeably. However, social value goes slightly further in improving outcomes for the benefit of wider society. At TRM, they explicitly define their ambition through a Responsible Sourcing Policy, focusing on four supporting themes or pillars: supply chain transparency; health, safety, and the environment; valuing people and communities; and conducting business with integrity. These pillars are industry-specific focus areas, enabling TRM to recognise exactly what factors they can target and deliver on when it comes to social value.

Embedding social value in tenders and the procurement process

At TRM, social value is an integral part of the requirement, specification, and award criteria in the procurement tendering process. Social value is considered even before the procurement process starts – understanding why goods and services need to be procured at all, and then exploring the solutions offered by the supply market. The procurement team at TRM has mapped their four pillars of the Responsible Sourcing Policy against the UK Government's social value model to ensure that procurement delivery aligns with both TRM values and supply market conditions. Using the UK government's **Social Value Model** means that bidders are more likely to be familiar with the questions, and TRM hopes this will result in higher quality proposals being received. At the contract management stage of the procurement cycle, social value is a key criterion for designing and measuring emissions

performance and, overall, the social benefits delivered. This ensures TRM recognises the great potential that can be unlocked through tenders.

Engaging the local supply market

At TRM, procurement is managed by sourcing experts and operational procurement teams, who collectively share the responsibility for supply market engagement. Packaging is one area where significant improvements in market engagement have been made. Initial desktop research identified the types of businesses and trade bodies operating within the packaging industry, helping to map out supply chain potential. Market engagement at TRM has taken many forms, but for the packaging example, a responsible sourcing workshop event was held, focusing on sustainability and social value. Strategic and key suppliers were invited to attend, and small group discussions enabled debate on each of TRM's pillars. The result was a more transparent process, with procurement and suppliers learning from each other about ongoing social value initiatives and recognising gaps that needed filling.

Social value in practice

TRM had been using the same types of wooden pallets and boxes for decades, but suppliers often commented that the products were over-engineered, adding unnecessary cost. Plywood was sourced for standard boxes, but this material was not manufactured in the United Kingdom, resulting in production value being expended and lost outside the UK – a loss of social value. Carbon emissions from transit presented a risk in the supply chain. Using a competitive dialogue process, local suppliers were invited to propose solutions offering TRM improved sustainability and social value outcomes. Following innovative proposals from timber packaging experts, TRM contracted a firm based in Southwest Wales, which sources all its timber in the UK. This means all raw materials and production value from TRM's timber transit packaging is kept within the UK's economy, resulting in carefully managed woodland: more trees are planted than are felled. Additionally, TRM improved water management, a global focus in the minting industry. Through materials reductions (in timber and metal) and reduced engineering, the supply chain is now creating jobs in Wales and the UK, with suppliers supporting local community initiatives.

Alignment with the WFGA

TRM is not included among the 48 public bodies subject to the WFGA, but they value the Act and the breadth of benefits that it brings to the people of Wales. The WFGA exists to improve the lives and prosperity of TRM employees, their friends, families, children, and future generations. Therefore, while not formally subject to the WFGA, The Royal Mint's responsible sourcing priorities broadly align with the WFGA's general principles. TRM continues to reflect on the wellbeing goals and the five ways of working that should help lay down a pathway for all organisations wishing to protect and support future generations.

Top three tips for starting on the social value journey

1. **Define social value for your own organisation**, as there are many industries with specific focus areas, e.g., Net Zero Waste Reduction, Ethical Employment, etc.
2. **Train your entire team to take on responsibilities**. They need to be equipped to communicate objectives, evaluate proposals, and make decisions that advance your progress on the social value journey.
3. **Make social value a part of everything you do**. At the very least, it should be on the agenda of every supplier meeting and every stakeholder meeting – you should also incorporate it into your team's Benefits Delivery tracking.

Summary of case findings

Table 4: Summary of findings by research theme

Themes	Case Highlights
Defining Social Value	The interviews highlight varying definitions of social value. However, the key points noted by all include ensuring your definition aligns with your organisation’s strategic objectives and clearly communicating this to stakeholders, especially those in the supply chain.
Social Value in Practice	Social value should be as important to any organisation as its brand, employees, and commercial goals. Examples of social value might include employment of disadvantaged community groups, placements, work experience, training, paying a living wage, community volunteering, supporting charities, equality, diversity, and inclusion, mitigating modern slavery, and local sourcing.
Embedding Social Value in Procurement	The starting point to embed social value is understanding local community needs. However, as highlighted by ANTZ (Case 2), if the organisation doesn’t grow commercially, it will not grow socially. A person-centred and person-structured approach will deliver better outcomes for all.
Overcoming Challenges in Procurement	There is currently a limited understanding of what can be achieved with social value, and unintended consequences of actions can lead to negative outcomes. This can be overcome by training employees (including those not directly involved in procurement), listening to the supply market, and staying close to communities to understand their needs, accepting that these will change over time. Know your finances and overhead costs to prevent under-delivering.
The Value of SMEs and VCSEs in the Supply Chain	Social enterprises, charities, and small businesses are indispensable and often where the most social value can be achieved. Their services are sometimes exploited and not respected (free services). These groups are essential to protect marginalized communities.
Engaging with the Supply Market	Build capacity in your supply chain to deliver enhanced social value – through supplier engagement days, meet the buyer events, tender surgeries, and a digital platform for easy communication. Encourage peer learning between suppliers and be prepared to teach basic skills.
The Extent of Being Guided by the WFGA	The WFGA provides a robust framework and language for delivering better outcomes. The WFGA harnesses social value for the long-term benefit of people living and working in Wales. The values and principles can, and do, apply outside of Wales.

Getting started on the social value journey

The case study interviews identify several critical success factors for embedding social value in tenders and contracts. A common piece of advice noted by all interviewees is the need for ambition and recognition of existing practices. As highlighted in the Bute Energy case (Case 3), there is no need to reinvent the wheel. Organisations should regularly enhance their understanding of social value to foster a culture of wellbeing; it is not solely the responsibility of one or a few individuals. We all have a collective responsibility to achieve more with less. The main advice for suppliers includes, listening to the community and to not be afraid of raising questions about social value priorities.

This final list of top tips provides additional guidance for procurement and suppliers embarking on the social value journey.

Summary of tips for buy and supply sides

- Create a clear value proposition
- Speak with one voice as an organisation
- Knowing your market and understanding your market is key
- Work in partnership
- Put a framework in place
- Define social value for your own organisation
- Understand your commodity area and align your social value requirements
- Form and continue to develop important stakeholder relationships
- Support and work with the supply chain to deliver the targets
- Remember social value if not managed well can be seen as a risk
- Call on external experts if required
- Reward those who deliver well

Conclusion

The purpose of this report was to demonstrate how social value can be embedded into procurement in Wales by highlighting seven 'good practice' case studies. Traditionally, social value is considered as an outcome of the contract award and the extent of value possible varies by category of spend. To better understand the different procurement procedures dependent on threshold values, the [CYD online platform](#) offers a procurement journey planner to guide procurement and non procurement professionals. The case examples have demonstrated that social value can be embedded at different stages of the procurement process or using the CIPS model, the procurement cycle. This can include at the commercial and sourcing stages, when deciding on the procurement process (i.e., direct purchase or framework), and at the point of negotiation before the contract award. However, National Highways preferred the term social impact, which can be forecasted but is likely to be more fully realised at the contract review and evaluation stage.

The best practice examples have been sourced from Wales and the UK. Seven case interviews were selected from a range of sectors, offering a balance of buy and supply-side perspectives. The Royal Mint and ANTZ offer a hybrid perspective as these organisations have active procurement functions, and they are suppliers for public and private sector clients. The video interviews accompanying this report may enable quicker and easier digestion of the key elements for each case.

The report has also highlighted some key issues facing procurement and the supply chain, and potential ideas for overcoming them. The case by ANTZ UK highlighted that good intentions when not managed well can cause irreversible damage and a long lasting negative impact. ANTZ highlight the importance of clear communication between stakeholders and placing the benefit to communities at the heart of all decision making.

It is important to acknowledge that Wales is the first country globally to legislate wellbeing and focus on future generations. The WFGA provides a robust framework with seven clear goals and five ways of working to achieve these. The Procurement Act (2023) which applies in England and Wales promotes a simpler but more flexible procurement process, improved timelines, and greater transparency between the buy and supply sides. To fully appreciate the potential for social value and the resulting impact on local communities, this report provides multiple suggestions for best practice. The public sector in Wales is facing its toughest financial period, with reduced public sector budgets, making it even more critical to maximise the impact of every pound spent (Davies, 2023). The state of the Welsh economy, the high percentage of children facing extreme poverty, and the urgency around the climate crisis mean there has never been a more important time to improve social value and wellbeing outcomes through procurement.

While the term 'social value' is accepted UK-wide, in line with the WFGA, in Wales the preferred term is wellbeing – for example, social wellbeing, economic wellbeing, or environmental wellbeing. One observation during the interviews was that discussions focused more on applying the ways of working rather than explicitly mentioning the seven well-being goals, which may indicate further work is required to highlight the Welsh national objectives or goals. Collaboration, long term thinking, involvement and prevention are all terms akin to the achievement beyond the contract – embedding social value in procurement. In contrast, the achievement of well-being goals may differ dependent on the category of spend in focus: only food was identified as addressing all seven well-being goals.

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Annex: An Australian Perspective

Martin Loosemore, a Distinguished Professor in the Faculty of Design, University of Technology, Sydney (UTS), is a prolific publisher on social procurement. He defines social value as the net difference made in the communities where you operate – in the short, medium, and long term. In this context, 'community' refers to the external and internal stakeholders affected by an organisation's activities (namely, individuals in the community, their families and friends, broader society, and your employees). Loosemore proposes that social value can be created in many ways, as featured in Table 1 below.

Table 1: Principles of social value in Australia

Social value principle	Social value activity
Providing employment/business opportunities	Minority and third sector organisations and businesses which focus on helping disadvantaged groups, providing jobs and training for disadvantaged groups such as disabled, Indigenous, refugees, youth, and ex-offenders.
Fair business practices	Responsible sourcing and supply chain management, respect for commercial and labour, fair pay, fair business relationships, etc.
Human rights	Promoting equality and diversity, respecting local cultural rights, freedom of association and expression, preventing modern slavery.
Labour practices	Providing employment, safe and healthy workplace, good working conditions and wages, opportunities for human resource development / training, work-life balance, etc.
Environmental issues	Reduce pollution, emissions, and waste.
Governance issues	Accountability, transparency, accurate reporting, respect for law, involvement of staff and stakeholders in decision making.
Community involvement	Corporate volunteering, supporting local charities, donations to good causes.

Loosemore cautions that it is just as important to consider potential negative outcomes and counterfactuals, characterising these as deadweight (what would have happened anyway), culture (cultural differences in perceptions), displacement (the benefits an intervention displaces or pushes aside), and drop off (losing benefit over time).

Embedding social value in tenders and the procurement process

It is common practice for Australian procurement teams to include social clauses in their supply contracts and tenders. Similar to the UK, suppliers are supposed to be informed of the percentage weighting that will be considered in tender award decisions – a practice not

always observed in Wales and the UK. This transparent approach ensures that contractors and the supply chain understand the extent to which they need to think about creating social value in their respective businesses.

According to Loosemore, there are two main types of social clauses adopted in Australia: prescriptive and performance-based, as described below:

Prescriptive clauses specify the exact quantity of outputs/KPIs (number of people employed; hours or weeks of training; numbers trained in different cohorts such as disabled, ex-offenders or Indigenous people; or the amount of money spent on certain services or products from social benefit organisations like Fair Trade or Indigenous businesses). This top-down approach, dictated by the client, leaves little room for contractors to innovate and respond to community needs. It is the most common approach used in Australia.

Performance-based clauses state general community outcomes and impacts (such as increased literacy or reduced crime/re-offending) and then ask suppliers to describe how they will achieve and measure these outcomes. It is a more flexible, bottom-up approach that requires suppliers to innovate and engage with the community. This approach is often referred to as community benefits clauses.

Engaging with the supply market

Loosemore emphasises the importance of building capacity in businesses and supply chains to deliver social value, cautioning that credibility will be damaged if business leaders cannot deliver on their promises. There are two main dimensions to this: Building capacity in social benefit organisations involves making it easier for them to tender for work (through means such as unbundling contracts, set-asides, simplifying tendering and pre-qualification) and enhancing their capacity to compete effectively with incumbent suppliers and subcontractors. This can be achieved by running information sessions, training sessions and boot camps for prospective suppliers, and a more resource-intensive incubation hub model that provides administrative support to assist suppliers in tendering for work.

Building capacity in existing supply chains to create social value, where the greatest social value can potentially be created, is not their core business and thus takes time and may meet resistance. Loosemore proposes that around one third of the population will apply social value willingly but equal numbers are likely to resist.

Finally, Loosemore offers three tips for starting the social value journey

1. **Create a clear value proposition and demonstrate your ability to deliver.** This involves being clear about your goals, ensuring they are within your influence, understanding the organisational levers for creating them, systematically monitoring

and measuring social outcomes in a rational, evidence-based, logical way, and then communicating them effectively.

2. **Recognise that social value may be seen as a risk rather than an opportunity** by many. Help stakeholders to identify, assess, and mitigate the risks while maximising the opportunities, turning social value into an opportunity rather than a risk.
3. **Reward those who deliver** by using incentives and positive reinforcement.

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