



Government
Commercial
Function

Guide to using the Social Value Model

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Section 1 - Introduction

What is this guide for and which contracting authorities are in scope?

1.1. This guide describes how to use the Social Value Model ('the Model'). Commercial practitioners at all levels within central government departments, executive agencies and non-departmental public bodies (referred to in this document as 'in-scope organisations') must use this guide when implementing the Model in all stages of the procurement lifecycle¹.

1.2. As well as commercial practitioners, this guide will also be useful to those whose role includes finance, policy or planning and delivering procurements. It will help those who manage contracts understand how to account for social value throughout the procurement lifecycle, especially at the pre-procurement stage.

1.3. The guide assumes that users have both a sound working knowledge of the public sector procurement regulatory/policy framework and of the procurement lifecycle. As always, all users should apply commercial judgement when using this guide and seek legal advice where appropriate.

1.4. The policies, projects and programmes to which public spending is directed are determined by government, using the recently revised [Green Book](#) to develop proposals that both achieve their intended objectives and deliver improved social welfare or wellbeing - referred to as social value. Public procurement is critical in translating those decisions into the right contracts with the right suppliers to achieve the required outputs in the way that offers the best social value for money.

1.5 The huge power of public money spent through public procurement every year in the UK must support government priorities, to boost growth and productivity, help our communities recover from the COVID-19 pandemic, and tackle climate change. There should be a clear 'golden thread' from these priorities to the development of strategies and business cases for programmes and projects, through to procurement specifications and the assessment of quality when awarding of contracts.

Social value and the Public Services (Social Value) Act 2012

1.6. For procuring the provision of services, or the provision of services together with the purchase or hire of goods or the carrying out of works, the [Public Services \(Social Value\) Act 2012](#) ('the Act')² requires English and Welsh public authorities (subject to some exclusions in relation to Welsh authorities) to consider, at the pre-procurement (preparation and planning) stage:

- how what is proposed to be procured might improve the economic, social and environmental wellbeing of the relevant area;
- how, in conducting the process of procurement, it might act with a view to securing that improvement; and
- whether to undertake any consultation on the above.

1.7. In line with these pre-procurement considerations, this guide focuses on the three key aspects of social value:

- economic (e.g. employment or apprenticeship/training opportunities),
- social (e.g. activities that promote cohesive communities) and

¹ See [The Outsourcing Playbook - Central Government Guidance on Outsourcing Decisions and Contracting](#) Page 6/7 Figure 1 - the procurement lifecycle.

² See also [Social Value Act: introductory guide](#)

- environmental (e.g. efforts in reducing carbon emissions)

Social value as distinct from core deliverables

1.8. In-scope organisations must ensure that any benefit identified as social value in tenders or contracts under this policy is over and above the core deliverable/s of the tender or the contract. For example, in a contract for the supply of employment support for the public, the core service (i.e. employment support) could not be defined as social value delivered through the contract. However, in this case, the wellbeing benefit associated with how the tenderer plans to recruit, train and retain the contract workforce carrying out that service could represent social value.

The United Nations Sustainable Development Goals

1.9. In 2015, the United Kingdom committed with other United Nations' countries to deliver the [Sustainable Development Goals](#) (SDGs). These aim to end poverty, protect the planet and ensure prosperity for all, by achieving 17 goals by 2030. The SDGs apply to the UK domestically and call on government and business to contribute towards their achievement.

1.10. There is a clear connection between the SDGs and government's ambition around social value, which further supports the case for delivering social value through commercial activities. To help illustrate this link the relevant SDGs are listed under each policy outcome in the Model.

Why does social value matter for UK public procurement?

1.11. Social value has a lasting impact on individuals, communities and the environment. Government has a huge opportunity and responsibility to maximise benefits effectively and comprehensively through its commercial activity. It cannot afford not to. A missed opportunity to deliver social value may lead to costs that the taxpayer has to absorb elsewhere through public procurement.

1.12. A competitive and diverse supply landscape can help to deliver innovation in public services, manage risk and provide greater value for taxpayers' money. The more effectively the public sector normalises social value in our commercial activity, the more wholeheartedly the supply market will be able to adapt and respond. The result will be a fundamental cultural shift in behaviours and attitudes.

1.13. To be effective it is essential that the contracting authority's consideration of social value starts at the pre-procurement stage, and that they carry it on through all stages of the procurement lifecycle.

Legal considerations

1.14. Contracting authorities have considerable flexibility to consider social and environmental aspects during the award stage of the procurement process and to build social and environmental requirements into their contracts. They can also apply breaches of certain environmental and social laws as grounds for discretionary exclusion of a supplier at the selection stage of the procurement.

1.15. The [Public Contracts Regulations 2015](#) allow contracting authorities to incorporate social and environmental aspects into the evaluation criteria as part of the assessment of the most economically advantageous tender, as long as these are linked to the subject-matter of the contract. They also allow contracting authorities to require specific labels as proof that the works, services or goods meet the award criteria, including those relating to social or environmental characteristics. Furthermore, they allow contracting authorities to include social

and environmental considerations as conditions relating to the performance of the contract, as long as these are linked to the subject-matter of the contract.

1.16. Contracting authorities must also comply with the general principles of equal treatment, non-discrimination and proportionality. Social and environmental considerations in this context could, for example, include promoting innovation, employment and social inclusion, protection of the environment, habitat creation, energy efficiency and/or combating climate change.

The Equality Act 2010

1.17. The [Public Sector Equality Duty](#) (PSED) in the [Equality Act 2010](#) is subject to enforcement by the Equality and Human Rights Commission which has published advice on [mainstreaming equality considerations in procurement](#). Contracting authorities should note that the PSED is non-delegable and that its requirements are not subject to any financial threshold.

1.18. This guide and the Model it describes will be useful for supporting PSED compliance in procurements which are not covered by Part 2 of the Public Contracts Regulations 2015, for example below threshold contracts for goods, works or services.

Commitments under the Civil Society Strategy and the review of outsourcing

1.20. The Civil Society Strategy, launched in 2018, set out how government will use its buying power to drive social value. Following a review of its outsourcing processes in 2018³, government committed to extend the requirements of the Public Services (Social Value) Act 2012 in central government to ensure that all major procurements explicitly evaluate social value, where appropriate, rather than just consider it.

1.21. This means that in-scope organisations will routinely take into account the additional benefits offered by suppliers through social value prior to procurements for their contracts. They will also take these social value benefits into account during the contract award, provided that they are linked to the subject-matter of the contract and proportionate to its value and its objectives⁴.

1.22. These commitments put social value at the heart of procurement in every in-scope organisation. With £49 billion per annum of public spending potentially affected, this will impact every market government buys from.

What actions do in-scope organisations need to take?

1.23. The role of procurement is to translate the desired outcomes into the right contracts and select the contractor or contractors that will deliver these in the way that offers best social value for money. For many procurements there may only be a single contract, but for complex major projects there will be many hundreds of separate contracts of different types, sizes and sectors that need to be packaged and procured in such a way as to deliver the whole project successfully. Whether there is one contract or many, it is critical to maintain the 'golden thread' from government priorities via business cases through to procurement specifications and the assessment of price and quality when awarding contracts.

1.24 In-scope organisations are mandated to use the Model for all procurements for goods, works or services within Part 2 of the Public Contracts Regulations 2015 that are above the

³ This review led to the publication of the [Outsourcing Playbook](#) on 20 February 2019.

⁴ See [Public Contracts Regulations 2015 Regulation 42](#) Para 6(b)

relevant threshold⁵. This is on the proviso that the social value to be proposed under the Model is related to the subject-matter of the contract and complies with the general principles of equal treatment, non-discrimination and proportionality⁶.

1.25. The Model establishes common commercial objectives for social value. These focus on a set of strategic themes and related policy outcomes which reflect agreed cross-government priorities.

1.26. Simplicity and consistency are the basis of the Model; it minimises changes in procedure whilst allowing users to maximise social impact. The Model:

- makes best use of existing skills and processes that contracting authorities and tenderers are used to;
- provides ready-to-use model questions, award criteria, sub-criteria and metrics;
- promotes consistency for tenderers and suppliers; and
- sets out clear standards whilst enabling more mature commercial teams to reach higher.

1.27. If an in-scope organisation has a more developed level of social value procurement capability it may go further. For example, it can develop evaluation questions and criteria relating to policy outcomes which are specific to the organisation.

1.28. Commercial practitioners within in-scope organisations should:

- a. Ensure there is collaboration between commercial, policy, project teams and any other relevant stakeholders at the earliest possible stage to identify the optimum mix of policy outcomes for the organisation and its delivery of social value.
- b. Apply the Model to all [above-threshold](#) procurements within the scope of Part 2 of the [Public Contracts Regulations 2015](#)⁷.

1.29. Note that the [Model Services Contract](#) has been updated to reflect the increasing profile of social value in public sector procurement. There is further information on this in the [Model Services Contract Guidance](#).

Compliance support

1.30. The following systems are in place to support in-scope organisations in ensuring compliance:

- The Cabinet Office Controls Team will monitor that in-scope organisations apply the Model when the team conducts the [spend controls](#) process.
- The Public Procurement Review Service will conduct [spot checks](#) to ensure in-scope organisations apply the Model in all relevant procurements.

What training do I need to carry out?

1.31. To support in-scope organisations in the use of the Social Value Model all relevant personnel should carry out the relevant training by:

⁵ As referred to above, the Model will also be useful for supporting PSED compliance in procurements below the thresholds for goods, works or services.

⁶ Where social value is not being included for evaluation as a condition of a contract, a record of the decision made and its justification should be maintained by the contracting authority.

⁷ The Model does not apply to procurements within the scope of the Defence and Security Public Contracts Regulations 2011, the Utilities Contracts Regulation 2016 or the Concessions Contracts Regulation 2016.

- completing the ‘Social Value for Commercial Success’ mandatory online training course, available on the [Government Commercial College](#) website, and
- attending an on-line learning event organised in conjunction with Cabinet Office⁸:
 - webinars providing an overview of the changes, with a question and answer facility and/or
 - bespoke training sessions to learn how to apply the Model in practice.

⁸ These sessions are scheduled to take place until March 2021 and are also available to in-scope organisations through the [Government Commercial College](#) website.

Section 2 - Using the Social Value Model

Please read this section in conjunction with:

Section 3 - Evaluating social value in tenders

Section 4 - Contract management, reporting and case studies

What is the Model?

2.1. The Social Value Model ('the Model') sets out government's social value priorities for procurement. It includes a menu of social value options for commercial staff in in-scope organisations to review and select with their internal clients and any other stakeholders. There are 5 themes and 8 policy outcomes which flow from these themes, as follows:

Themes		Policy outcomes
Theme 1	COVID-19 recovery	Help local communities to manage and recover from the impact of COVID-19
Theme 2	Tackling economic inequality	Create new businesses, new jobs and new skills
		Increase supply chain resilience and capacity
Theme 3	Fighting climate change	Effective stewardship of the environment
Theme 4	Equal opportunity	Reduce the disability employment gap
		Tackle workforce inequality
Theme 5	Wellbeing	Improve health and wellbeing
		Improve community cohesion

2.2. There should be a clear 'golden thread' from government priorities to the development of strategies and business cases for programmes and projects, through to procurement specifications. If done correctly this approach will encourage market collaboration that identifies and refines proposals, as well as provides evaluation criteria that can allow contracting authorities to conduct more sophisticated evaluations of quality, wider public policy delivery and whole-life value.

2.3. Each policy outcome within the Model has been designed so that users can easily assess and evaluate the relevant social value offered in tenders and manage the social value delivered in contracts. The Model provides detailed information relating to each policy outcome, including:

- Model Evaluation Questions
- Model Response Guidance for tenderers
- Model Award Criteria and Sub-Criteria
- Reporting Metrics

2.4. These all appear in Title Case in this document and in the Model itself, in order to make them stand out as a specific entity within the Model.

2.5. When deciding which policy outcomes apply to a procurement, users will need to carefully consider, in the context of the procurement:

- whether the Model Award Criteria and Sub-Criteria, Model Evaluation Questions and Reporting Metrics associated with each policy outcome are related to the subject-matter of the contract,
- whether they are proportionate to the contract, and
- whether their application will ensure compliance with the principles of equal treatment and non-discrimination.

2.6. As far as possible, the criteria are designed to be ready to use with little or no modification. This will reduce the burden on commercial teams and provide consistency for the supplier community. However, if users find that one or more of the Model Award Criteria are not relevant to the subject matter of the contract or proportionate, they can adapt them from the tender document. Users can consider the Model Award Criteria listed as a menu of options to select from.

Relevance, proportionality, equal treatment and non-discrimination

2.7. There is further guidance in relation to each policy outcome within the Model, but in general:

- Social value award criteria are likely to be sufficiently relevant to the subject-matter of the contract if they relate to the works, goods or services to be provided under the contract. This could include how the works, goods or services are produced or provided, or how they are maintained or disposed of.
- Social value award criteria are likely to be proportionate if they are framed specifically to meet the requirement and they do not go beyond this. Proportionality will also be relevant to the weighting applied to social value (see Section 3 for further detail on weighting). The overall weighting allocated to social value, and the weightings of individual evaluation criteria, should be proportionate taking into account how important the social value outcome is to the procurement and the other criteria.
- Equal treatment requires that contracting authorities do not treat tenderers in similar situations differently and that they do not treat tenderers in different situations the same. Non-discrimination requires that contracting authorities do not discriminate against tenderers on grounds of nationality. This includes indirect discrimination, for example, if an evaluation criterion would create a particular barrier for tenderers from another country (e.g. a party to the Government Procurement Agreement).

2.8. Note that the [Equality Act 2010](#) enables contracting authorities to take positive action to support people from under-represented groups in some circumstances where it is proportionate to do so, but the above legal requirements still apply to procurements.

How to apply the Model

2.9. The Model is straightforward to use, and it fits seamlessly into the procurement lifecycle (see the stages in the table below).

Social Value Model activity carried out by the in-scope organisation's commercial team	Procurement lifecycle ⁹	
	Stage	Activity
1. Build awareness within the organisation Ensure internal clients, including the relevant policy and project teams, are familiar with social value by directing them to the e-learning , the Social Value Act introductory guide and the PSED .	N/A	N/A
2. Identify the organisation's pipeline of procurements <ul style="list-style-type: none"> • Discuss with internal clients what they will need to procure in the coming year, based on estimates for programme spend in the budget. • Talk to stakeholders to help determine any areas of improvement that could be delivered through contracts. 	Preparation and planning	Develop a clear definition of the business need
3. Select social value themes and policy outcomes <ul style="list-style-type: none"> • Work with internal clients to identify social value opportunities and choose the themes and policy outcomes in the Model that are relevant to the forthcoming contract. • Review the Model Award Criteria and Questions to check they are relevant, proportionate and that their application in the procurement would ensure equal treatment of tenderers and not result in discrimination. • Start considering what combination of Model Award Criteria and Reporting Metrics you may use to create the Social Value Key Performance Indicators (SV KPIs) which will determine whether the contract is achieving its key social value objectives. 		
4. Assess the market <ul style="list-style-type: none"> • Determine market maturity in delivering social value by establishing what part it currently plays in the markets the organisation will be trading with. Many companies will actively promote their social value-related activities. • Establish the make-up of the market by supplier type (i.e. a vibrant, diverse, mixed market with varied sizes and types of supplier, including VCSEs, SMEs and mutuals; 		Assess the market

⁹ See [The Outsourcing Playbook - Central Government Guidance on Outsourcing Decisions and Contracting](#) Page 6/7 Figure 1 - the procurement lifecycle.

<p>one dominated by a small number of very large operators; or one with little or no competition at all).</p> <ul style="list-style-type: none"> • Make reaching under-represented groups and removing barriers a key consideration in the assessment, considering the need to use positive action. • Include relevant supply chains in the assessment. 		
<p>5. Talk to the market Start talking to the supply market as early as possible to understand the drivers of cost, quality and efficiency, and include social value in these discussions. This allows you to design the specification and the procurement in a way that achieves best value for the taxpayer.</p>		Pre-procurement consultation of the market
<p>6. Test the selected themes, policy outcomes, award criteria, etc. during pre-market engagement</p> <ul style="list-style-type: none"> • Run events with potential tenderers to further understand the drivers of cost, quality and efficiency. • Test the themes and policy outcomes in the Model to confirm how to best drive social value through the procurement and to confirm these are relevant to the contract. • Test options for the Model Evaluation Questions, Model Award Criteria, Reporting Metrics and the SV KPIs that you will develop with the market. • Test the 10% minimum weighting for social value and explore whether this can be increased, depending on market maturity in delivering social value. • In lower cost procurements without the capacity for a supplier event, these should be substituted with webinars, surveys or other engagement, as appropriate. • Test how the evaluation criteria can be refined to support compliance with the PSED. 		
<p>7. Build the selected social value policy outcomes into the draft specification and procurement documentation</p> <ul style="list-style-type: none"> • For each policy outcome there is a corresponding Model Evaluation Question, Model Award Criteria and Sub-Criteria. • Select the most relevant of each of these from the list provided. • It is important to review the Model Evaluation Question and Model Award Criteria for relevance, proportionality and to ensure equal treatment and non-discrimination. Check that Model Evaluation Questions will provide evidence you need to demonstrate compliance with and to advance the objectives of the PSED. • Make adjustments if necessary. • Set an appropriate character limit for responses to questions. We recommend that a substantial word count is allocated, subject to IT system capabilities. • In the rare occurrence that market engagement indicates 	Launch	Develop sourcing strategy
		Draft specification
		Prepare procurement docs
		Advertise
		Supplier engagement
	Selection	Use standard selection questionnaire to apply exclusion

<p>no policy outcome in the Model is relevant and proportionate to the subject matter of the contract, contracting authorities should develop their own policy outcomes using the format set out in this Model. This should be the exception, not the rule.</p>		<p>grounds and select suitable suppliers</p>
<p>8. Evaluate the tenders</p> <ul style="list-style-type: none"> • Evaluate the quality of the tenderers' responses using the evaluation questions for the procurement (which should be based on the social value Model Evaluation Questions). • Evaluate against the award criteria (which should be the Model Award Criteria and Sub-Criteria set out in the tender documentation) in the same way as the evaluation of any other quality aspect in a procurement. • Use standard techniques to evaluate the social value offered by tenderers and moderate scores in the usual way. • Look for comprehensive answers that meet the award criteria and sub-criteria through good quality responses. (see Section 3). <p>(Note: Illustrative examples are provided within the Model as a guide for tenderers and evaluators. The examples they provide are not mandatory.)</p>	<p>Evaluation and award</p>	<p>Evaluate tenders</p>
		<p>Award and sign the contract</p>
		<p>Notify tenderers and publish award</p>
<p>9. Contract management</p> <ul style="list-style-type: none"> • The contract manager should manage the social value deliverables in the contract against the commitments in the successful tender. • To assist the contracting authority in assessing the supplier's performance, develop SV KPIs from the Model Award Criteria and Reporting Metrics in the Model, and monitor and record against these throughout the contract lifespan. 	<p>Contract implementation - management and monitoring</p>	<p>Manage and monitor the execution</p>
		<p>Receive goods/services and issue payments</p>
		<p>Deal with any modifications</p>
<p>10. Social value reporting</p> <ul style="list-style-type: none"> • Use the data recorded against SV KPIs to record progress against social value priorities as required. • For government's most important contracts report the prime contractor's performance against the most important SV KPI on a quarterly basis (as part of the KPIs for Government's Most Important Contracts policy). • Use records/reports to demonstrate PSED compliance. 		<p>Close the contract</p>

Section 3 - Evaluating social value in tenders

Please read this section in conjunction with:

Section 2 - Using the Social Value Model

Section 4 - Contract management, reporting and case studies

the comprehensive guidance on tender evaluation in the [Outsourcing Playbook Bid Evaluation Guide](#)

Introduction

3.1. The role of procurement is to translate the desired outcomes into the right contracts and select the contractor or contractors that will deliver these in the way that offers best social value for money. For many procurements there may only be a single contract, but for complex major projects there will be many hundreds of separate contracts of different types, sizes and sectors that need to be packaged and procured in such a way as to deliver the whole project successfully. Whether there is one contract or many, it is critical to maintain the 'golden thread' from government priorities via business cases through to procurement specifications and the assessment of price and quality when awarding contracts. Contracting authorities should consider the evaluation of tenders right from the start of the procurement process as it is integrally linked to the final contract and the type of suppliers that will perform it. There is also a legal requirement for contracting authorities to be transparent with tenderers about the evaluation criteria and the evaluation process.

Using the Model Award Criteria

3.2. As part of the assessment of the most economically advantageous tender, there are menus of Model Award Criteria (MAC) and Sub-Criteria for each of the policy outcomes in the Social Value Model ('the Model'). From these, contracting authorities can select those which are relevant and proportionate to the subject matter of the contract.

3.3. To allow the contracting authority to objectively evaluate the tender against the Model Award Criteria, the Model also includes:

- a Model Evaluation Question for each policy outcome and
- Model Response Guidance for tenderers relating to each Model Evaluation Question.

3.4. The Model Response Guidance:

- tells tenderers what the contracting authority is looking for in tender responses,
- assists the contracting authority in assessing the quality of the tender,
- provides a basis for fair and transparent scoring and
- can help shape the specification and develop key performance indicators.

3.5. The Model Evaluation Questions and Model Response Guidance in the Model are deliberately worded to suit a wide variety of circumstances, promote innovative responses and prevent barriers to entry for start-ups, SMEs, VCSEs and mutuals.

3.6. Wherever possible users should copy the Model Award Criteria and Sub-Criteria directly into the tender documentation. If appropriate, users can make adjustments to the Model Award Criteria and Sub-Criteria, Model Evaluation Questions and Model Response Guidance to:

- ensure relevance to the subject matter of the contract;
- respond to intelligence gained through pre-tender market engagement;
- ensure compliance with the principles of equal treatment, non-discrimination and proportionality; and/or to
- satisfy/achieve specific departmental policy objectives.

3.7. Users should also use the list of Reporting Metrics and Model Award Criteria in the Model to help shape the specification and develop key performance indicators.

Using a qualitative approach for evaluating social value

3.8. Under the Social Value Model users assess and score the **quality** of the social value offered in the tender against the selected policy outcome/s at evaluation stage, in the same way as they would do for any other evaluation criteria designed to assess quality.

3.9. Users should establish an effective scoring approach to suit the procurement and allow clear differentiation between tenderers’ responses to the Model Evaluation Question. For example, under the 5-band scoring regime below the optimal tender response could score 4 (Excellent), whilst a non-response or complete failure to meet the required standard would score 0 (Fail).

3.10. Users must award marks against the objective, non-discriminatory scoring criteria set out for each scoring band, on a tender by tender basis (i.e. quality responses must **not** be compared against each other for the purpose of scoring).

Criteria for awarding score	Score
<p>Excellent: (exceeds all of the Model Award Criteria). The response exceeds what is expected for the criteria. Leaves no doubt as to the capability and commitment to deliver what is required. The response therefore shows:</p> <ul style="list-style-type: none"> - Very good understanding of the requirements. - Excellent proposals demonstrated through relevant evidence. - Considerable insight into the relevant issues. - The response is also likely to propose additional value in several respects above that expected. - The response addresses the social value policy outcome and also shows in-depth market experience. 	4
<p>Very good: (exceeds some of the Award Criteria) The response meets the required standard in all material respects. There are no significant areas of concern, although there may be limited minor issues that need further exploration or attention later in the procurement process. The response therefore shows:</p> <ul style="list-style-type: none"> - Good understanding of the requirements. - Sufficient competence demonstrated through relevant evidence. - Some insight demonstrated into the relevant issues. - The response addresses the social value policy outcome and also shows good market experience. 	3
<p>Good: (meets all of the Award Criteria) The response broadly meets what is expected for the criteria. There are no significant areas of concern, although there may be limited minor issues that need further exploration or attention later in the procurement process. The response therefore shows:</p> <ul style="list-style-type: none"> - Good understanding of the requirements. - Sufficient competence demonstrated through relevant evidence. 	2

- Some insight demonstrated into the relevant issues. - The response addresses most of the social value policy outcome and also shows general market experience.	
Poor: (meets some of the Award Criteria) The response meets elements of the requirement but gives concern in a number of significant areas. There are reservations because of one or all of the following: - There is at least one significant issue needing considerable attention. - Proposals do not demonstrate competence or understanding. - The response is light on detail and unconvincing. - The response makes no reference to the applicable sector but shows some general market experience. - The response makes limited reference (naming only) to the social value policy outcome set out within the invitation.	1
Fail: the response completely fails to meet the required standard or does not provide a proposal.	0

3.11. Another option is to adopt a minimum standard for the evaluation criterion or across several evaluation criteria. For example, a contracting authority could stipulate a minimum score of 2 (Good) for particular evaluation criteria, or a minimum average score of 3 (Very Good) across a range of criteria, such as all of the social value evaluation criteria.

3.12. In this example, any tender meeting the minimal acceptable standard or above would pass, whereas any tender scoring below the 'quality line' of minimal acceptable standard would fail and the tender would be excluded. This approach allows contracting authorities to set a minimum standard for particular criteria, ensuring a tenderer cannot be successful if its scores against these particular criteria do not meet the required standard. This guards against lower scores being diluted by higher scores in areas which have a higher weighting. This approach could maximise the potential for social value through the contract by ensuring that only those tenders which meet the minimum social value standard can be successful.

3.13. One more option is to set a simple pass/fail standard for particular criteria. In the example below, any tenderer meeting the acceptable standard would pass. Any tenderer not meeting it would fail and their tender would be excluded. As with the approach outlined above, this allows contracting authorities to set a minimum standard. However, the pass/fail approach does not allow for any differentiation in scoring under the specified criterion between tenderers who achieve a pass.

Criteria for awarding score	Score
Good: (meets the Award Criteria) The response broadly meets what is expected for the criteria. There are no significant areas of concern, although there may be limited minor issues that need further exploration or attention later in the procurement process. The response therefore shows: - Good understanding of the requirements as set out in the Sub-Criteria. - Sufficient competence demonstrated through relevant evidence. - Some insight demonstrated into the relevant issues. - The response addresses most of the social value policy outcome and also shows general market experience.	Pass

Fail: the response completely fails to meet the required standard or does not provide a proposal.	Fail
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3.14. These approaches to the evaluation of quality and the related scoring systems are all standard techniques.

Applying a 10% minimum weighting for social value

3.15. When developing the evaluation strategy for a procurement it is essential that the contracting authority determines the weightings attributable to the evaluation criteria. A typical approach is to identify the relative importance of price and quality, typically as a percentage split, where ‘quality’ refers to all non-price factors, including social value. the contracting authority should ensure the weighting of price and quality reflect the characteristics of the goods, works or services, and should test potential outcomes with the market before the weighting is fixed.

3.16. Under the Model, **a minimum overall weighting for social value of 10% of the overall score is mandated** whenever any of the social value policy outcomes are included in the procurement. For example, the contracting authority might split the weightings as 30% for price, 60% for quality and 10% for social value. This sends a message to the supply market that social value is important to the contracting authority.

3.17. The only permissible exception to this minimum 10% of the overall score rule is where pre-market engagement demonstrates that the approach would significantly reduce competition due to a lack of market maturity in delivering social value. In these exceptional cases, the contracting authority may specify the social value weighting to be 10% of the quality score.

3.18. Where there is higher market maturity the contracting authority can apply a weighting above 10% of the total¹⁰. The opportunity and risk appetite of the commercial team and of the supply base are likely to be deciding factors when the contracting authority considers either of these options. This should be fully explored as part of pre-market engagement.

3.19. Whether social value, or any other quality evaluation criteria, should have a differentiating effect in the evaluation can depend on factors such as whether price is the determining factor in certain services or commodities. Also, there is likely to be variation in the capacity of different supply markets to deliver a range of meaningful social value outcomes that match the ambition of contracting authorities.

3.20. As well as an overall weighting for social value, the contracting authority will need to allocate appropriate weightings within procurements to each of the evaluation criteria it has included under social value. For example, for a procurement with 10% of the overall evaluation score allocated to social value, users might break the weightings down as shown in the following table:

¹⁰ To determine the upper limit of the weighting for social value, commercial staff should follow the principles of relevance, proportionality and equal treatment set out in Section 2.

Evaluation criteria	Weighting within SV element	Weighting within overall evaluation score
Effective measures with respect to health and wellbeing, including physical and mental health, in the contract workforce	50%	5% (i.e. 50% of the 10% of overall evaluation score allocated to SV)
Effective measures to deliver additional environmental benefits in the performance of the contract including working towards net zero greenhouse gas emissions. .	25%	2.5%
Effective measures by the supply chain to collaborate with users and communities in the co-design and delivery of the contract to support strong integrated communities.	25%	2.5%

Evaluating social value in frameworks agreements and dynamic purchasing systems

3.21. Contracting authorities will need to take a particular approach when they evaluate tenders under framework agreements and dynamic purchasing systems (DPS). To allow for objective evaluation of social value under these circumstances, the following principles apply:

- a framework agreement should always enable users to explicitly evaluate for social value both at framework agreement level and for all contracts awarded under that framework agreement (by further competition or direct award).
- a DPS should always enable users to explicitly evaluate for social value at the call for competition stage.

3.22. Contracting authorities should structure framework agreements and DPS such that social value in call offs follow the standard evaluation procedure described earlier in this section.

Evaluating social value in procurement frameworks

3.23. A framework agreement sets out terms that allow buyers to make specific purchases from one or more suppliers during the life of that framework. The parties to a framework agreement are:

- the contracting authority that establishes the framework,
- the successful tenderers (who become suppliers after the award of the framework)
- the buyers named in the published contract notice who are able to place contracts and orders after the framework has been established.

3.24. The stages for the evaluation of tenders, as follows:

- Framework level (by the contracting authority establishing the framework), then ‘call off’ by the buyers named in the published contract notice, through either:
 - further competition, or
 - where permitted, direct award.

Framework agreement level

3.25. The contracting authority tendering the framework agreement should agree the social value priorities for that framework agreement at the outset of the pre-procurement process (agreeing where appropriate with other buying authorities named on the contract notice) and include the relevant Model Evaluation Question/s and Model Award Criteria in the procurement documentation. Once tenders have been received, the contracting authority should evaluate the social value offered in tenders against the Model Award Criteria and Sub-Criteria following the standard procedure described earlier in this section.

3.26. If contracting authorities wish to permit users of the framework to include social value questions in the call-off procedure/mini-competition, then explicit instructions detailing how this will be done, including Model Award Criteria, Sub-Criteria and what can be included, must be set out in the framework procurement documentation.

Further competition or 'call off'

3.27. Buyers (i.e. the users of the framework) may have their own social value priorities which they will make clear to the suppliers involved in that competition. To test the tenderers' social value during the call-off stage, buyers must adhere to the standard evaluation procedure, including the award criteria and sub-criteria, described in the framework agreement terms, conditions and instructions.

Direct award

3.28. Where a framework agreement permits direct award, the supplier will be bound by a commitment to deliver social value, entered into when accepting a place on the framework. Following a direct award procedure, the buyer and supplier should jointly agree on the specific social value policy outcomes and award criteria to be delivered and included as part of the contract. The buyer should then evaluate the supplier's delivery against these policy outcomes and award criteria as part of ongoing contract performance management.

Ensuring proportionate impacts on resources

3.29. Where evaluating social value in the creation of a framework agreement may place unnecessary burdens on commercial teams or suppliers, a commitment to social value from the tenderers may be attained by applying a Pass/Fail criterion as a condition of being awarded a place on the framework agreement. Where this happens the contracting authority should require a tenderer to contractually agree to more explicit evaluation for all contracts arising from the framework agreement and as part of continuous performance reporting.

Evaluating social value in procurements from dynamic purchasing systems

3.30. Dynamic purchasing systems (DPS) differ from framework agreements in that buyers and suppliers can join the DPS agreement at any point and full tenders are submitted at the point a contract is awarded under the DPS. In order to get onto a DPS, tenderers must meet the selection criteria. Buyers can then select against a range of criteria to identify and shortlist suitable suppliers for their requirements. Once the buyer has identified a list of suppliers, they will invite tenders and subsequently make the contract award.

3.31. In-scope organisations establishing a DPS should consider social value as part of looking at technical and professional abilities, where social value is proportionate and relevant to the subject matter of the contract. This could be in the format of a Pass/Fail question and the contracting authority should make it clear to tenderers that this is a condition for gaining a

place on the DPS.

3.32. When undertaking a call for competition, buyers should evaluate social value following the standard procedure described earlier in this section.

Evaluating social value in procurements that include suppliers based overseas

3.33. Contracting authorities owe the same legal duties to suppliers based in territories which are members of the Government Procurement Agreement or other international agreements containing procurement obligations which the UK is required to comply with, where the procurement is covered by the relevant agreement. This means the same legal restrictions apply to considering social value in tenders submitted by these suppliers.

Section 4 - Contract management, reporting and case studies

Please read this section in conjunction with:

Section 2 - Using the Social Value Model

Section 3 - Evaluating social value in tenders

Model Award Criteria and Reporting Metrics

4.1. For each policy outcome the Model includes Model Award Criteria and Reporting Metrics that the contracting authority should use to determine how the tenderer will establish and deliver the social value aspects of the contract. The Model Award Criteria are used to determine which tenderer is best placed to deliver, and which should be awarded, the contract.

4.2. Reporting Metrics are the numeric outputs related to how the supplier will deliver the quantitative aspects of social value under the contract, e.g. the number of full-time equivalent employment opportunities created by the supplier in the contract supply chain in the performance of the contract. In-scope organisations must use the standardised Reporting Metrics in the Model, where relevant and proportionate to the subject matter of the contract, to ensure consistency and accuracy of reporting¹¹.

Social value deliverables versus general corporate policies

4.3. It is essential that any Award Criteria and Reporting Metrics used are clearly linked to the social value deliverables in the tenderer's proposal for the particular contract. Criteria and metrics based on the tenderer's general corporate policies (e.g. corporate responsibility statements) are not relevant or proportionate to the subject of the contract so must not be used.

Awarding and managing contracts

4.4. At the contract award stage the contracting authority should incorporate the social value deliverables in the winning tenderer's proposals into the contract in readiness for managing them through the contract lifespan. Then, once the contracting authority has awarded the contract, the parties to it should use the Model Award Criteria and Reporting Metrics set out in the procurement documentation and in the tenderer's proposals to establish social value key performance indicators (SV KPIs). Such SV KPIs will always comprise a combination of a deliverable and a numeric element, by which performance of that deliverable is to be measured.

4.5. It is by collecting, recording and monitoring these SV KPIs throughout the contract lifespan that the contracting authority and the contractor will determine whether the contract is achieving its social value objectives. Further guidance on contracts and contract management is available at these links:

¹¹ The contracting authority should relate the Reporting Metric to a qualitative aspect for best effect when managing the contract, i.e. how the contractor will carry out the social value deliverable. In the example above, this could include the types of jobs created, where they are located, whether any NEETs or prison leavers are among those employed, etc.

- [Model services contract](#)
- [Outsourcing Playbook](#)
- [Contract Management Professional Standards](#)
- [Helping you with managing contracts and suppliers](#)

SV KPI reporting for government’s most important contracts

4.6. As part of the policy requiring departments to publish quarterly KPI performance for government’s most important contracts¹², in-scope organisations must also submit quarterly reports on the prime contractor’s performance against the most important single SV KPI to Cabinet Office. (As above, this will be formed of a deliverable and a metric, and will result in numeric data.) The point of contact for this reporting within the contracting authority will be the Government Commercial Function lead for KPI reporting.

4.7. The data the in-scope organisation reports will represent a snapshot of the most relevant SV KPI for the period. In due course the scope of the KPI reporting scheme is expected to develop, enabling it to more fully represent the social value delivered through contracts.

SV KPI reporting thresholds

4.8. In-scope organisations will need to develop reporting thresholds for the most relevant SV KPI so that performance against it can be rated as one of the following:

- **Good.** The supplier is meeting or exceeding the SV KPI targets that are set out within the contract.
- **Approaching Target.** The supplier is close to meeting the SV KPI targets that are set out within the contract.
- **Requires Improvement.** The performance of the supplier is below that of the SV KPIs targets that are set out within the contract.
- **Inadequate.** The performance of the supplier is significantly below that of the SV KPIs targets that are set out within the contract.
- **Recorded elsewhere.** Data that is published by the department separately (a link should be provided).

4.9. In-scope organisations should assess the nature of the contract and the social value outcome they are monitoring when setting the ratings for these reporting thresholds. Note that some thresholds will remain constant over the contract lifespan, while others may alter up or down incrementally to reflect wider circumstances or to challenge the contractor to become more efficient and/or innovative over time.

Example of an SV KPI in use

4.10. The following hypothetical example is based on a contract for the provision of a facilities management (FM) service for an in-scope organisation. In this case the contracting authority has identified opportunities in the contract workforce to employ and develop more disabled people in new skills relevant to the contract, including through training schemes that result in recognised qualifications. They have therefore selected ‘Reduce the disability employment gap’ as one of the social value policy outcomes to support in delivering this contract.

4.11. The contracting authority has developed an SV KPI based around the Model Award Criteria ‘Demonstrate action to increase the representation of disabled people in the contract workforce’ and the relevant Reporting Metrics provided in the Model. A typical 3-monthly report

¹² [Key Performance Indicators \(KPIs\) for Government’s Most Important Contracts](#)

against that SV KPI might appear as shown in the table below (the rating thresholds relating to this example are listed the in the second table immediately below this):

Contract	Quarter	Year	SV KPI description	Target*	Rating
FM service	Jul-Aug-Sep	2021	Number of disabled people in the contract workforce	2%	[The rating the supplier has achieved in that 3-month period, e.g. good, approaching target, etc]

* Where the targets in this case are as follows:

Quarter	Year	Ratings based on the total percentage of full-time equivalent (FTE) disabled people employed under the contract, as a proportion of the total FTE contract workforce			
		Good	Approaching target	Requires improvement	Inadequate
Apr-May-Jun	2021	1.5%	1.0%	0.5%	below 0.5%
Jul-Aug-Sep	2021	2.0%	1.5%	1.0%	below 1.0%
Oct-Nov-Dec	2021	2.5%	2%	1.5%	below 1.5%
Jan-Feb-Mar	2022	3.0%	2.5%	2%	below 2%
Apr-May-Jun	2021	3.5%	3.0%	2.5%	below 2.5%
etc ...					

Considerations when committing to a single SV KPI for reporting

4.12. When committing to the single most important SV KPI for monitoring and reporting under the KPI reporting scheme, any decisions made by the contracting authority must be defensible, for example in the case of Parliamentary Questions or Freedom of Information requests. Contracting authorities must retain an audit trail of the decisions made, subject to organisational information management timelines.

Supplier approval for publishing SV KPIs

4.13. In-scope organisations must also ensure that suppliers have given approval for the data to be published. Note that the [Model Services Contract](#) has been updated to reflect the increasing profile of social value in public sector procurement and the publication of SV KPIs. Further information on this in the [Model Services Contract Guidance](#).

SV KPI reporting intervals

4.14. Though the default is to report on SV KPIs on a 3-monthly basis, it may suit the social value outcome/s better if the in-scope organisation's reporting is 6-monthly or annual. For example, an SV KPI reflecting a commitment to recruit and train 12 full-time equivalent employees in a year may be more effectively assessed on an annual basis. This could be both because it may suit the recruiting, onboarding and training timescales more appropriately and

also because the reporting threshold breaks will not be well suited to an average output of 1 per month compared to an output of 12 per year.

Case studies and social value awards

4.15. Throughout the pre-procurement, procurement, award and contract management phases of the contract lifecycle, in-scope organisations should retain records to help create social value case studies. These case studies will help to draw out the benefits of the social value approach it has developed and will promote continuous improvement in future contracts.

4.16. Some examples of social value case studies from large scale projects are provided in the publications listed below:

- [A14 Cambridge to Huntingdon improvement scheme](#)
- [Glasgow 2014 Commonwealth Games legacy: final evaluation report](#)
- [Inspired by 2012: The legacy from the London 2012 Olympic and Paralympic Games](#)

4.17. The Government Commercial Function (GCF) and some in-scope organisations have introduced annual competitions for social value awards. Wherever possible commercial staff should engage with these competitions and submit competition entries. Case studies, backed up with firm evidence, will form the backbone of submissions for such awards at either GCF or organisational level.

Section 5 - Definitions

The following definitions relate to terms used in the Social Value Model:

Charity. A legal status for an organisation, not a legal form or organisational structure. To be considered a charity, organisations must meet two criteria:

- the purposes of the organisation must be exclusively charitable - there cannot be a mix of charitable and non-charitable purposes.
- the organisation must be set up for public benefit (rather than for an individual or small select group of people).

Community businesses. Businesses that are rooted in a particular geographical place, responding to local community needs, driven by and accountable to the local community. All community businesses could be considered social enterprises but not all social enterprises are community businesses, as some operate nationally so not rooted in one particular community.

Disability. The Equality Act 2010 defines a disability as a physical or mental impairment which has a substantial and long-term adverse effect of a person's ability to carry out normal day-to-day activities. This covers a wide range of people and impairments, some of which may not be immediately obvious. For example, 3.4 million people have mental health-related impairment, 2 million have a learning disability and 1.7 million have a visual impairment.

The Government Statistical Service have developed a 'harmonised' definition of disability based on the Equality Act 2010 which is designed to be consistently applied across Government Surveys. This definition is operationalised in the nationally representative UK Labour Force Survey as a two-part question. See [here](#) for more information.

Public Service Mutual (or 'mutual'). Currently defined as an organisation that has left the public sector (known as 'spinning out'), but continues to deliver public services and have a significant degree of employee ownership, influence, or control. This definition was set by the government in 2010 but is not enshrined in legislation. It does not refer to a specific legal form but rather a distinct type of business and public service delivery model.

Small and medium sized enterprise (SME). Any business with fewer than 250 employees and either an annual turnover below £45m or a total balance sheet less than £40m.

Social Enterprise. A business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. The most common forms are Company Limited by Guarantee (CLG), Company Limited by Shares (CLS), Community Interest Company (CIC), specifically created for social enterprises, Industrial and Provident Society (IPS) Bona Fide and IPS BenCom.

Voluntary, Community and Social Enterprises (VCSEs). Collective term that includes any organisation (incorporated or not) working with a social purpose. This ranges from small community based groups/schemes (Good Neighbour Schemes, 'Stitch & Knit' or Cubs, Brownies, etc.), through to larger registered charities and social enterprises, public service mutuals and cooperatives that operate locally, regionally and nationally. This term is often interchangeable with the terms 'third sector' or 'civil society' organisations.

Section 6 - Frequently Asked Questions

Q. Which public bodies are in scope of the Social Value Model?

A. Central government departments, executive agencies and non-departmental public bodies

Q. Is the use of the Social Value Model mandatory within all these organisations?

A. Yes, see [Procurement Policy Note 06/20 Taking account of social value in the award of central government contracts](#).

Q. Can in-scope organisations go further than what is set out in the Social Value Model if desired?

A. Yes, in-scope organisations with a more developed level of social value procurement capability may go further if desired. For example they may develop evaluation questions and criteria which relate to policy outcomes which are specific to that organisation.

Q. When must the Social Value Model be applied to new procurement activity?

A. From 1 January 2021.

Q. Does the Social Value Model have to apply to contracts that were originated before 1 January 2021?

A. No.

Q. Does the Social Value Model apply to all spend?

A. No, only to spend relating to contracts within the scope of Part 2 of the Public Contracts Regulations 2015. However, it can be applied voluntarily to spend outside of these parameters if desired, e.g. to below-threshold contracts or contracts within the scope of the Utilities Contracts Regulations 2016, the Concession Contracts Regulations 2016 or the Defence and Security Public Contracts Regulations 2011.

Q. Does the Social Value Model apply to overseas suppliers?

A. Yes. The government has an open market policy with respect to public procurement so tenders from other countries should not be discriminated against.

Q. Does the Social Value Model apply to spend overseas?

A. The Social Value Model can be applied to overseas expenditure, but it is not a requirement of this policy to do so.

Q. Does the Social Value Model apply to frameworks?

A. Yes, the Social Value Model should be used to procure framework agreements. If social value is to be included as criteria at call-off stage:

- this must be explicitly provided for in the framework agreement
- there should be no duplication of questions set in the procurement documentation for the framework agreement

Q. Can I apply social value at call-off if it was not part of the criteria for the framework agreement?

A. No.

Q. Does the Social Value Model disadvantage non-UK suppliers?

A. No. The Social Value Model is outcomes-based, so it enables a diverse range of suppliers to contribute social value during the performance of a contract. Officials should conduct their usual reviews of the Model Evaluation Questions, Model Award Criteria and methodology to ensure they are not discriminatory against non-UK suppliers.

Q. Can I add policy outcomes to the Social Value Model?

A. Yes. Government has defined its priority social value outcomes to provide focus, deliver a coherent message and drive synergies. Where an in-scope organisation has an opportunity to contribute to the delivery of specific objectives related to its own strategy and operations, additional policy outcomes may be added. **However, this must not be instead of applying the Social Value Model.** In exceptional cases, none of the existing policy outcomes may apply, and in those instances additional policy outcomes may be developed. When developing additional outcomes, in-scope organisations must ensure they are designed to mirror the approach and style used in the Model to ensure a consistent message to the supplier base.

Q. Can I change the outcomes listed in the Social Value Model?

A. No. The Model has been set up to drive social value through specific policy outcomes. However, additional department-specific policy outcomes can be added to the Model locally where required (see 'Can I add policy outcomes to the Social Value Model?').

Q. Does this apply to Single Tender Awards (i.e. under the negotiated procedure without prior publication)?

A. Yes, it can be applied in these circumstances, for example where there is some competition but not a full competition, or by including KPIs in contracts.

Q. Can I adjust the evaluation criteria to relate to a specific geographical location?

A. Yes, as long as this is relevant to the subject-matter of the contract, proportionate and does not result in unequal treatment or discrimination

Q. Can elements of the Social Value Model be applied as discretionary exclusion criteria at the selection stage?

A. The Model has been developed for use in procurement development and the tender evaluation process, and not for supplier selection. However, breach of certain social laws is a ground for discretionary exclusion.

Q. Can I accept tenderers' corporate social responsibility (CSR) statements, policies and/or case studies as proof of how they intend to deliver the social value policy outcomes in my procurement?

A. 'CSR' refers to how the organisation performs corporately. It is not contract-specific and therefore will not adequately address the social value evaluation criteria.