# **February Oxford Procurement of Government Outcomes (POGO) Call – Chat Room File**

***Embedding Social Value in Public Procurement - How contracting authorities set 'social value' priorities?***

**Tuesday 22nd February 4-5pm GMT**

00:13:24 Leigh, GO Lab:

Welcome everyone. Please post comments and reflections in the chat room here.

00:30:34 Dr Jacqui Taylor - FlyingBinary:

Richard can you say something about the policy challenges you identified?

00:33:08 Kieran McGaughey:

A question for Richard please (but also happy to hear other’s views). Is there a risk that social value requirements can go too far? For example, if a local authority ends up paying considerably more because the winning bidder, whilst not better on price, is significantly better on social value (where social value has a significant % weighting) It occurs to me any increased focus on social value needs to strike a delicate balance given the precarious financial position many Councils find themselves in.

00:36:15 Pedro Telles:

In reality you're entering into a mixed contract and as such procuring a second outcome. This will be paid for wittingly or unwittingly. At the end of the day, providers will price in those extra provisions (and the advice on how to tackle them) either by increasing prices or reducing quality somewhere.

00:36:48 Dr Jacqui Taylor - FlyingBinary:

Lisa can you say more about the outcomes you have seen

00:39:01 Peter Smith:

Need to model evaluation processes- make sure budget holders understand how the cost is evaluated against other factors inc social value so they can agree what that means! ie "I am happy to pay 2% more for a bidder that scores 100% on SV compared to one that scores 50% but i don't want to pay 5% more"

00:40:14 Pedro Telles:

@Peter - True but usually the purported benefits are going to be found elsewhere and not directly for the budget holder, whereas the cost will.

00:40:21 stephane saussier:

@peter With an additional requirement that is you need to be able to measure performances during contract execution…

00:41:04 Pedro Telles: @stephane and that in itself, is not free, and a known weak spot in procurement practice in general.

00:44:56 Peter Smith: I Agree with all of those comments! But it is the budget holder who picks up the cost so they have to understand what they might be signing up to in terms of additional costs. that was my point. Also contract performance / management is key of course and I think is still a weak spot.

00:50:12 Jo Mitchell:

We encourage a focus on ‘impact’ rather than ‘value’ - the difference that you can/will make

00:50:12 Kieran McGaughey:

I agree with the above comments re contract management. And, given the proposed publication of KPI performance levels under the new regime, it's an area authorities may need to get better at....

00:50:14 SHAUN SCOTT:

Jo Mitchel's years of experience and investment (and years) in practitioner training; and Lisa's (I may be mistaken) experience that suppliers may not be ready; leads me to conclude that Social Value is a complex and tough strategic decision for public procurement jurisdictions.... that may mean that no decisions are taken.

00:50:33 Rob Knott:

In shaping social value outcomes and the related criteria, it's important that they are 'relevant' to the contract/requirements.

On Peter's point, historically, I've run simulations through the eval criteria to determine the overall financial impact of this value.

00:51:43 Jo Mitchell:

We have been able to apply what we have learnt in developing community benefits in procurement to developing our approach to climate and procurement

00:52:56 Catherine Manning:

Do the speakers have insight on how stakeholders voice (beyond industry, so particularly affected communities) is included in how the different governments are setting social value themes / outcomes / measures? And how stakeholder engagement is being encouraged in award of social value and contract management? Without this being prioritised, we are seeing practice that cuts this out and ends up counting and valuing outputs related to the defined theme areas of the contract instead of measuring the social outcomes that are achieved (or not!)

00:53:36 Lisa Beers:

@Dr Jacqui Taylor - we have a monitoring system which is currently capturing what outputs are delivered on a contract by contract basis. For example since we started capturing the date over 2,000 people who were disadvantaged on the labour market got employment on contracts. We will be capturing the same data on all the themes and indicators in the policy going forward.

00:54:55 Jo Mitchell:

Yes really good examples in some local authorities - see <https://www.gov.scot/publications/measuring-social-impact-in-public-procurement-sppn-10-2020/>

00:54:55 Dr Jacqui Taylor - FlyingBinary:

@Richard these are really good points particularly related to the thematic points made. Social value varies considerably. From my point of view we have yet to understand the unintended consequences of procuring without Social Value

00:56:34 Pedro Telles:

@Richard - I made no comment about specs vs outcomes as an approach to procurement. My point is that if you're buying it, you will pay for it whether you're aware or not.

As for the view of the procurement officer understanding the full impact of its decision, I can see the point, but once more that is an addition of complexity and workload on procurement officers which, once more, is not free.

00:57:14 Lisa Beers:

@Catherine it is recommended that departments engage with communities effected by the procurement in our policy. This is why it's important that we do more work with Commissioners in NI rather than the responsibility for social value sitting solely with procurement.

00:57:19 Dr Jacqui Taylor - FlyingBinary:

@Lisa that is so important to understand these outcomes. Particularly when this data unlocks themes

00:58:10 CHRIS SMITH:

Contract monitoring will be particularly important for delivery of the social value aspects of the contract. Question - can contracts be constructed so that social value is a contractual obligation and suppliers will be financially penalised if social value is not delivered.

00:59:32 SHAUN SCOTT:

Nicely put Clare. Implementation at a local level sounds much harder than the Social Value decision at a central level.

01:00:31 Rob Knott:

@Chris, we hard-wired social value outcomes as commitments in the Olympic Park contracts, in 2011....

01:01:19 Kieran McGaughey:

Hi Chris. Yes, I take the view that ultimately each authority has a broad discretion to set whatever contractual terms it sees fit. The carrot is better than the stick in the first instance but yes if people fail to deliver then penalties (or the threat of penalties) may sharpen their focus. Again this ties in with earlier comments re active contract management in the first place.

01:01:20 Clare FitzGerald, King's College London:

If VCSEs inherently deliver social value, is the way to go not then a set-aside for these kinds of organisations? Why complicate things with complex award criteria and weighting schemes?

01:01:34 Pedro Telles:

@chris As long as they are contract terms, sure.

01:01:58 Catherine Manning:

Thanks Lisa - I completely agree with the point you're making there about SV not just sitting within procurement but being embedded throughout the system (i.e. commissioning like you say, but also planning, embedded into the councils/contracting authorities own practice and accountability, and throughout contract management). Some argue that by the procurement stage, the big SV decision has already been made, i.e. is the work going to go ahead or not - with a huge potential impact on affected stakeholders lives based on that yes/no decision. Would love to learn more about the practice in NI

01:03:13 Lisa Beers:

Happy to have a chat Catherine lisa.beers@sibni.org

01:03:26 Dr Jacqui Taylor - FlyingBinary:

Julian we have struggled to articulate how important it is to not just address measures across the value chain but move up that value stream. This is a total cost of provision model for

01:04:07 Lisa Beers:

@Rob - do you know if financial penalties were built into that contract for non-delivery?

01:05:06 Rob Knott:

@Lisa, yes, even to the point where they would be in breach if they didn't....

01:05:07 SHAUN SCOTT:

@Julian. Thank you. Can you suggest references for the Spanish case study you referred to?

01:05:16 Leigh, GO Lab: We will share the chat with the mailing list

01:05:39 Dr Jacqui Taylor - FlyingBinary:

Thanks @Leigh

01:05:41 CHRIS SMITH:

Does civil society have a role to play in monitoring the delivery and outcomes of social value contracts?

01:07:03 Clare FitzGerald, King's College London:

given the institutional arrangements at play, civil society orgs are necessary for this monitoring - they hold essential data

01:08:02 stephane saussier:

@Ruairi : more transparency might also mean that the cost of social public procurement is more widely known — that could be an issue. Because everybody agree with green and social procurement as long as the cost is not known

01:08:04 Julian Blake: Mondragon Corporation search will take you to the Spanish/Basque example. They recently told the story at an event organised by the University of Central Lancashire and Preston Council

01:08:30 Richard Dooner:

<https://www.futuregenerations.wales/work/procurement/>

01:08:49 Pedro Telles:

@clare If they don't know what has been contracted, how can they monitor it?

01:09:04 Dr Jacqui Taylor - FlyingBinary:

Thanks @Richard

01:11:15 Mayra Gramani, GO Lab:

More info about the Hack and Learn: <https://golab.bsg.ox.ac.uk/community/events/hack-and-learn-spring-2022/>

01:12:07 Abby Semple:

We'll miss you Leigh!

01:12:31 Dr Jacqui Taylor - FlyingBinary:

Thank you @Leigh Wishing you well on the next stage of your journey

01:12:34 Siôn Williams:

Got to dash but thanks for everything! Speak soon!

01:12:51 Rob Knott:

Many thanks - great session

01:12:54 Adam Gromnica:

Thank you

01:12:54 stephane saussier:

Thanks !!!

01:12:56 Catherine Manning:

Thank you everyone! Great session