

Creating Social ValueSignposting Paper



1. What is Social Value?

As outlined in the Department of Finance's Social Value Strategy 2025 -2027, "Social Value refers to wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment. It incorporates ethical and sustainable supply chains, community benefits and wealth building, job and skills creation and efforts to combat climate change." The Department of Finance launched its Social Value Strategy 2025 - 2027 as part of its implementation of the Procurement Policy Note 01/21 Social Value in Procurement. A link to DoF's Social Value Strategy for 2025 - 2027 can be viewed here: Social Value Strategy 2025-27

2. Legislative Framework for Social Value in Northern Ireland

At this point in time, Northern Ireland does not have a standalone Social Value Act. Although not enshrined in standalone legislation, Social Value is now a mandatory consideration in many procurement exercises across the public sector in NI.

While the **Public Services (Social Value) Act 2012** applies directly to England and Wales, Northern Ireland has been gradually aligning with similar principles through policy rather than primary legislation.

Procurement Policy Note (PPN 01/21) – issued by the Department of Finance (DoF) in 2021. It is mandatory that services contracts (over £500,000) and works contracts (over the UK Threshold) are awarded on the basis of social value, as well as cost and quality. PPN 01/21 can be viewed here:

PPN 01/21 - Social Value in Procurement

Although Procurement Policy Note (PPN 01/21) does not apply directly to the 11 Councils in Northern Ireland; all 11 NI councils have incorporated social value measures into their corporate plans to create social value through their business operations and procurement practices. For example, Belfast City Council includes social value in tenders over a certain value and tracks community benefits such as employment for underrepresented groups. (Belfast City Council has also developed its own Social Value policy which aligns to the principles of DoF's Policy Procurement Note PPN 01/21). Belfast City Council's Social Value Procurement Policy can be viewed here: Social Value Procurement Policy. Causeway Coast and Glens and Borough Council have also demonstrated in their Procurement Policy 2025 – 2027 how they will create social value through their procurement processes: Procurement-Policy-2025-2027.pdf

The Public Procurement Act 2023 came into effect in February 2025 The Procurement Act 2023: A short guide for senior leaders (HTML) - GOV.UK "The Procurement Act 2023 reflects the importance of using public spend to incorporate social value by requiring tenders to be assessed on the basis of Most Advantageous Tender (as opposed to the previous Most Economically Advantageous Tender) and specifically requires contracting authorities to have regard to maximising public benefit, in addition to delivering value for money and acting with integrity."



Creating Social Value Signposting Paper

3. Social Value: What is happening across the 11 councils?

"Beyond" social value being created through our procurement processes, particularly for capital projects £500k plus; What is happening in councils in terms of smaller scale social value projects?

While high-value contracts grab headlines, small projects often deliver more meaningful local impact. These include community gardens, digital inclusion programmes, skills workshops, and intergenerational learning initiatives. They:

- Are community-led, responsive to local needs
- Promote social inclusion and reduce isolation
- Require modest investment but generate great social value return benefits for local communities.

The smaller "social value" projects often provide proof of concept, build community trust, and support long-term capacity building.

Councils are developing specific initiatives through their Community Planning and Economic Development functions to create social value and to build "community wealth" in our local communities.

The 11 council Labour Market Partnerships (and the 11 council Local Economic Partnerships) are also key enablers for creating social value for our communities and constituents.

The Labour Market Partnerships (which are funded by the Department for Communities) aim to address local labour market challenges by bringing together various stakeholders, including council representatives, educational institutions, employers, and community organisations. LMPs create targeted employment action plans for council areas, enabling collaboration at both local and regional levels to support individuals towards and into work.

4. Exploring the concept of "Co-operative Councils"

Co-operative Councils place community power at the heart of local decision-making. Rather than treating residents as service users, this model views residents as partners and co-creators. Social Value principles are at the heart of co-operative councils:

- Co-designed services
- Democratic accountability
- Participatory budgeting and
- Asset-based community development.

Find out more at "Co-operative Councils Innovation Network" here: https://www.councils.coop/









Creating Social Value Signposting Paper

5. Creating Social Value: What is happening across the public sector, including councils, across the UK and Ireland?

To find out more, click on the video links below:

Strategic Investment Board - Social Value Unit:

Social Value - Integrating social benefits into public contracts.

Local Government Association and The Social Value Portal:

TOMs: measuring social value in local government procurement

Crown Commercial Service: What is social value in procurement?

The Social Value Portal is a very useful resource for Councils:

National Social Value Conference 2022 - a decade of social value

How does social value differ in the devolved regions? - Social Value explained

NW England/Greater Manchester: Stockport Council - they've undertaken reviews of their social value/procurement and are involved in various GMCA initiatives)

In North East England: S. Tyneside (direct case study from a Cllr) and also from Sunderland

London: Camden Missions approach to procurement -

https://lgiu.org/briefing/mission-oriented-procurement-testing-a-new-approach-in-camden-council

Essex County Council: Social Value Examples | Provider Hub | Essex

Ealing Council: New social value policy

Waltham Forest Council: What does Social Value look like at Waltham Forest?

Scotland: Scotland are getting new <u>legislation</u>.

- The <u>Improvement Service</u> provides secretariat support for a Scottish community wealth building practitioners network.
- Strong case studies from: Fife or N. Ayrshire (first CWB council in Scotland).

Welsh Government: Delivering Social Value through collaborative commercial activity

Socially Responsible Public Procurement - Ireland: https://www.youtube.com/watch?v=vDJ8jNKTHec

Roche Diagnostics UK & Ireland: Roche Diagnostics UK and Ireland explain how they deliver Social Value

LGIU website:

- CWB case studies: https://lgiu.org/blog-article/community-wealth-building-case-studies-and-resources-for-local-government/
- Procurement Act:
 - https://lgiu.org/briefing/social-value-and-the-new-procurement-act-evolution-or-revolution/
- A detailed report we did with CLESS Building community Wealth and Power <u>https://lgiu.org/wp-content/uploads/2023/11/Building-community-wealth-and-power.pdf</u>

The Open University NILGA Learning Hub: Provides free online resources designed to support learning and skills development for councillors.

NILGA web: <u>www.nilga.org</u> X:@NI_LGA