Fusion21 research reveals social value’s growing in importance amongst UK public procurement professionals
Almost two thirds (64%) of UK public procurement professionals say social value has become more important over the last 12 months, Fusion21’s second annual Procurement Trends Report has found.

Conducted during April and May this year, this year’s research which represented the views of 100 procurement professionals - also found that 39% of procurement managers, directors and supply chain officers prioritise skills and employment outcomes when seeking to achieve social value through their procurement activity. Meanwhile, 30% prioritise local economy benefits.

In the first Procurement Trends Report published this time last year, the vast majority (83%) of those who took part in our research said they believed The Public Services (Social Value) Act, which came into force in 2013, had been influential in terms of ensuring their organisation considers social value during procurement. It seems that, six years later, its impact continues to grow.

The results of this year’s Procurement Trends Report come shortly after the Cabinet Office closed its consultation on how government should take account of social value in the award of central government contracts.

Commenting on the findings in Fusion21’s Procurement Trends Report 2019, Sarah Rothwell, Head of Member Engagement at the procurement organisation, said:

"Central government is beginning to realise just how many social benefits can be achieved through procurement activity. As the Cabinet Office works on its consultation response, we suggest it looks to its public sector peers, including those in housing and local government, to see how social value can be successfully incorporated into procurement processes.

"Like those in central government, the public procurement professionals who took part in our research are facing significant financial constraints, with more than half (59%) reporting they felt under pressure to procure at the lowest price. However, social value continues to rise in importance, and procurement professionals are finding innovative ways to ensure it is delivered within tight budgets, by working with potential suppliers ahead of procurement exercises taking place, and carefully outlining the social benefits they expect to be achieved through their contracts."
Carol Connah, Group Procurement Officer at The Barnet Group, Barnet Council’s arm’s-length management organisation for housing, and a contributor to Fusion21’s Procurement Trends Report, said:

“At The Barnet Group we have developed a unique procurement model, through which we award contracts based on 60% quality, 10% corporate social responsibility (CSR) and 30% price,”

“Up until January 2018, we used a more standard 40:60 cost/quality split, but we found that suppliers were meeting our tender specifications without being clear on their CSR offer against what we aspired to see delivered within our communities. Now we work in conjunction with other teams within The Barnet Group to incorporate specific requirements within our tender documents, asking what they would be able to achieve during the life of their contract with us.

“We’re careful to ensure that the CSR activity specified is proportionate to the contract, and worth no more than 5% of its total value. We ensure that any suppliers who work with us are aware that we expect a certain level of CSR contribution.”