

A close-up photograph of a Union Jack flag, intricately embroidered onto a dark fabric. The flag is positioned on the left side of the image, with its characteristic red, white, and blue colors. The embroidery is detailed, showing the texture of the threads. The background of the entire image is a dark teal color.

Defence
Suppliers Forum

SOCIAL VALUE 101

A GUIDE TO SOCIAL VALUE
IN DEFENCE

KEY CONTRIBUTORS

The Defence Suppliers Forum extends gratitude and thanks to the following companies for their contributions towards the creation of the Social Value 101 guide for the benefit of the defence industry.



FOREWORD



With over 90% of the ADS membership consisting of Micro and Small and Medium Enterprises (SMEs), it is important for industry to collaborate with MOD in creating a guide tailored specifically for them. SMEs are vital for innovation and play a critical part in the resilience of our supply chain and securing our strategic advance.

This guide, jointly written by ADS and the DSF Social Value Working Group, aims to support SME bidders in navigating 'social value' in tender bids.

This partnership will contribute to embed social value into defence procurement policy, benefiting both buyers and suppliers across the supply chain.

SAMIRA BRAUND
Defence Director, ADS

Defence Suppliers Forum

The defence industry delivers on UK prosperity and innovation whilst protecting our nations and keeping our international alliances strong. The Defence and Security Industrial Strategy (2021) recognised the value of a strong domestic defence and security industrial base, and the MOD's Social Value Model has been welcomed by industry as a method of delivering against these aims to secure the UK's advantage.

It is important for SMEs to utilise this guide to improve the effectiveness and best implementation of social value in their bidding processes. This will ensure suppliers are best placed to leverage the level of social value they can create, making a tangible difference for our communities, people and planet, and more effectively bid into MOD procurement contracts.

ANGELA HALLIDAY
MOD | Industry Chair
- Defence Suppliers Forum Social Value Working Group

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INTRODUCTION – WHAT GOOD LOOKS LIKE

MOD and DSF are committed to making the most of the Social Value Model, realising the opportunity to make a positive difference on key issues.

Who is it meant for?

The audience comprises buyers and suppliers alike.

The widest distribution is encouraged. Many of the points covered will be relevant to Defence but by no means exclusively so.

Purpose of the guide

Borne of the dialogue the DSF Social Value working group has been having, its aim is to start to answer the question 'what does good look like?' for Social Value in Defence.

This is just a start, bringing together our collective wisdom so far. It won't answer every question you might have but should provide a handrail of what to expect and signpost where to find out more.

When we talk about "Social Value", we are focussing on the application and use of the Cabinet Office Social Value Model (PPN 06/20).

We plan to expand what the guide covers over time, and fully expect elements of it will develop as best practice emerges and our collective experience matures.

How is the guide organised?

The guide is set out around broad elements of the process and identifies key enablers that run throughout. You can view this guide as a leg up - if you are just starting out on your SV journey - or a helpful reminder/guide - if you are already underway.

We try not to repeat existing guidance (such as that provided by the Cabinet Office) but do have a useful resources section so you can go deeper into the subject matter.



RELEVANCE OF THE SOCIAL VALUE POLICY TO DEFENCE

Launched in September 2020, the Social Value policy was developed to allow central government organisations to **“take account of the additional social benefits that can be achieved in the delivery of its contracts”** [PPN 06/20].

While originally designed around policy outcomes aligned with broader Government priorities, it is important to recognise that the Social Value policy is directly relevant to defence and is aligned with the 2023 Defence Command Paper Refresh (DCPR) as well as other strategies including the 2021 Defence and Security Industrial Strategy (DSIS), and 2021 Defence Climate Change and Sustainability Strategic Approach.

Relevance of the social value policy to defence

The Social Value policy can directly support the clear purpose for Defence set out in the DCPR: to protect the nation, and to help it prosper. This is especially relevant for one of the DCPR's four priorities to "Secure strategic advantage, achieve greater economic and industrial resilience, and contribute to national prosperity", as well as other commitments including [relevant MACs in brackets]:

- Strengthening links with existing Defence primes, non-traditional suppliers and SMEs to drive innovation and promote more rapid-pull through and exploitation of cutting-edge technologies. [2.1, 3.1, 3.2]
- Reduce vulnerabilities in global supply chains and seek to maximise the use of 'home-grown' technology, with a re-energised industrial base that increases the UK's national resilience and ability to absorb strategic shocks. [3.1, 3.4, 3.5, 6.3]
- Increase productivity through incentivising industry to invest in digitisation, automation and skills [3.2, 3.3].
- MOD and industry working together to better understand long-term strategic challenges and identify solutions to issues such as the availability of critical skills, diversification and resilience within the supply chain, and productivity. [2.2, 2.3, 3.3, 3.4]

- Supporting Defence's commitment to playing its part in meeting the Government's ambition for greater sustainability and resilience, including targets for NetZero. [4.1, 4.2]
- Ensuring that Defence is an environment where talent thrives and where careers are nurtured, creating diverse teams which are stronger, more innovative, and less prone to group-think, fostering an environment where people at every level are empowered and valued. [5.1, 5.2, 6.1, 6.2]

This shows the close alignment between the Social Value policy and the DCPR.

It is, therefore, important that MOD teams identify how their area aligns with the objectives and goals set out in the DCPR, and from that identify the Social Value themes which are most relevant to the individual procurement.

Generally, this will also require an analysis of the short-falls or weaknesses in that part of the industrial base, for example around critical skills, supply chain resilience of lack of SME engagement to identify where improvements in Social Value are most relevant to the market in question.

What can social value mean for suppliers?

Social Value is...

- ... additional activity over and above what you normally do (e.g. more than CSG / ESR)
- ... aligned to a specific contract
- ... relevant and proportionate to the nature of the contract and to your company size
- ... about how you will deliver it (answer the question, provide a timed project plan etc)
- ... about delivering value that is long-term and leaves a legacy
- ... a core part of government procurement policy
- ... evaluated qualitatively
- ... not limited to delivery in the UK



SOCIAL VALUE OVERVIEW

Why does pre-market
engagement matter?

How is anyone going to know what you want to do if
you don't tell them?!

Regional differences

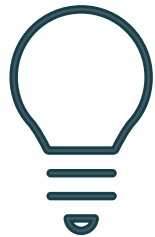
Resources

Addressing diverse
workplace

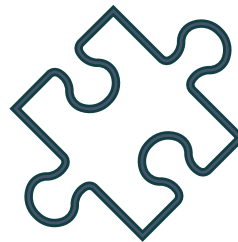
Roles and
expectations

So, when should I be thinking of Social Value during the Procurement Process?

The next slides will look at the following in more detail:



At what point should I be thinking about Social Value during a tender?

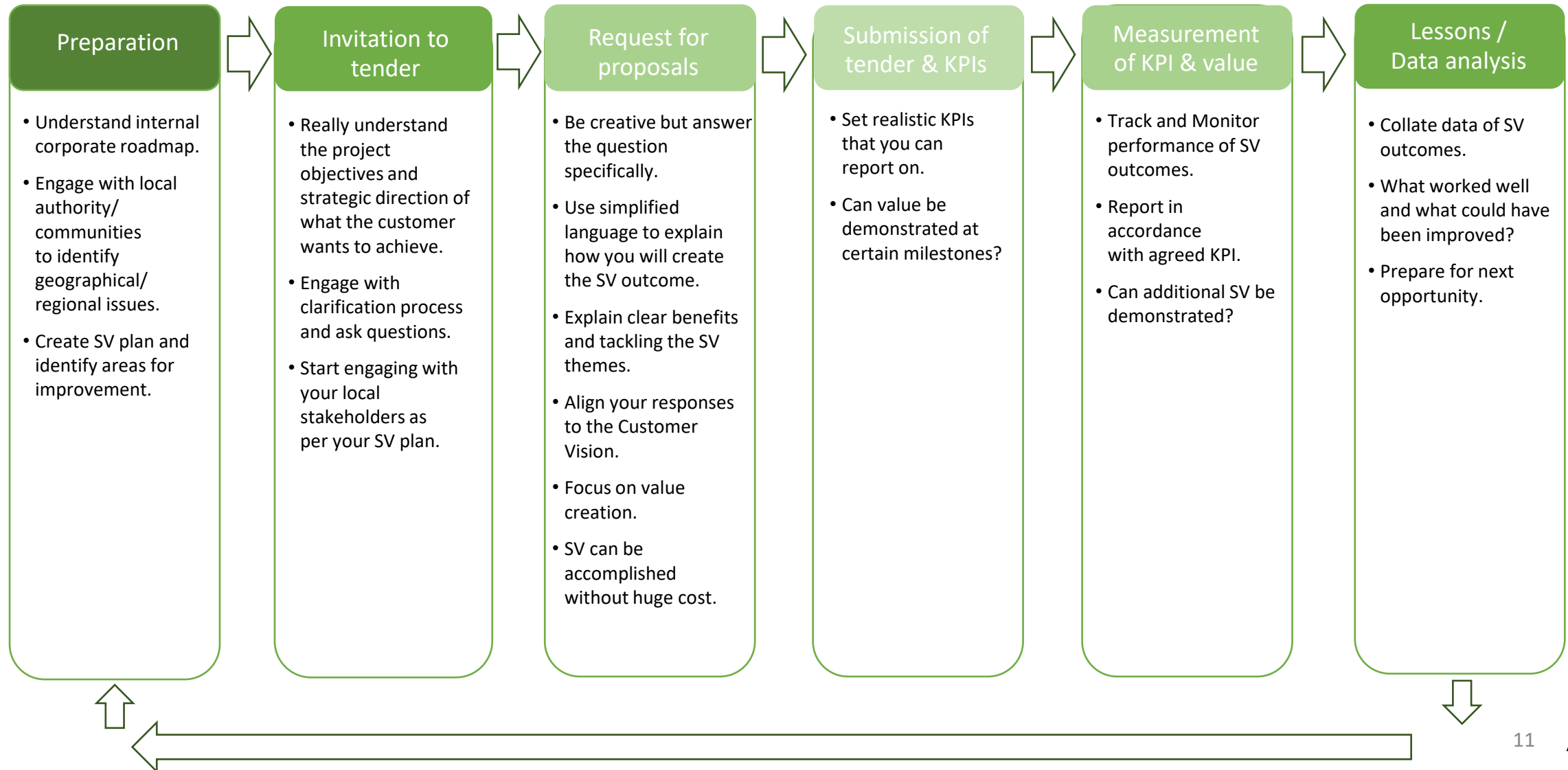


Is there anything I can be doing in readiness for the next business opportunity?



Ensure I build adequate time to respond to Social Value in my bid plan

The Procurement Process – SV considerations at each stage





HOW TO ARTICULATE SOCIAL VALUE IN A TENDER

INTRODUCTION

Being able to articulate the Social Value you can deliver is critical to the success of your offer and will have an impact on how you deliver your commitments post contract award.

This section of the guide explores not only how to articulate your offer but also what to consider when sizing your commitment and making it bid specific.

How to articulate Social Value in a tender

Credible

- Make sure what you are offering is credible to the customer. This means providing project delivery plans and referencing other projects where you have delivered a similar commitment or the overarching capability it draws down from (briefly, as only additionality can be scored). Demonstrate how it will be deployed and the specific SMART commitment that will be made.
- As an example, if you are making a commitment around early careers, reference the early careers programme you have or will establish and how this programme will leverage it.

Additional

- Ensure the commitments you are offering create additional social value. The customer (The Authority) is not looking for generic Corporate Social Responsibility (CSR) initiatives or overarching corporate plans. The purpose of Social Value is to generate additional benefit that is directly related to the programme.

How to articulate Social Value in a tender

Proportionate

- Ensure what you are offering is proportionate and achievable as part of the contract delivery.

As an example, it is unlikely you would hire an early careers employee for a contract valued at £250k. Likewise, offering 50 hours volunteering for a £10m contract is unlikely to be enough on its own. However, the 50 hours could be incorporated as part of a wider offering. Some customers provide details on what they consider proportionate whilst others leave it to suppliers to offer what they deem to be a proportionate package of Social Value benefits. Don't be afraid to ask questions.

Specific

- Ensure that the offer you are making not only answers the question but is also specific to the contract. As an example, show how winning the contract will allow you to upskill a specific member of the delivery team or make a specific carbon reduction related to the product you are delivering.



LEVERAGING CORPORATE INITIATIVES TO DELIVER ADDITIONAL SOCIAL VALUE

The following slides explore the relationship between Social Value and existing corporate initiatives such as CSR or ESG programmes, and how these corporate initiatives can be leveraged to deliver additional Social Value through contracting opportunities.

The next slides will give you a definition, some real examples and provoke thoughts on opportunities to achieve this.

Remember: What's likely to be relevant for one procurement will vary – please take these examples as inspiration.

Leveraging corporate initiatives to deliver additional Social Value

Definition

Whether preparing SV proposals or scoring a supplier's response, references to an existing scheme (in-house, or with a partner organisation) must demonstrate the specific additional commitment being made during the performance of the contract - for example by expanding the scheme or scheme(s) or deploying it in an area relevant to the contract. Merely citing existing initiatives without drawing these links will not count towards the score in tender evaluation. But, if a proposal shows how an existing scheme provides additional benefits of relevance and linked to the procurement, then it counts towards the evaluation of Social Value.

To further illustrate how this could work the following examples are provided, based in real CSR & ESG initiatives. These examples are not exhaustive and are provided to stimulate thought about how existing initiatives can be leveraged for Social Value.

Example 1 - Support to town centre regeneration

In early 2023, a defence business bought several retail properties in the town where much of their R&D and manufacturing work is based, and which has significant areas of deprivation.

The retail properties included the former Debenhams, WH Smith and Body Shop units with plans to convert them into new spaces to provide the local community with education, outreach and recruitment services. The first of these levelling up initiatives was the Careers Inspiration Hub offering employment advice from the defence business and a range of local employers and organisations.

Next planned developments will provide educational outreach, supplier engagement and business support for social enterprise activities.

The final investment will see the former Debenhams' site transformed into a new learning centre, which will bridge the gap between the defence business's Academy for Skills and Knowledge and the business's local R&D and manufacturing facilities.

- This ongoing regeneration project could be leveraged to deliver additional Social Value through a contract, for example under Theme 2, MAC 2.2.

The defence business could:

- Use the regeneration project as a springboard to develop a deeper understanding of local employment and skills issues, and of the skills and employment shortages of high-growth sectors relating to the contract.
- Based on this analysis, they could create targeted training and employment opportunities to take place in the sites already being developed under the corporate initiative.
- The defence business could bring in a new workforce from local areas of deprivation. One benefit would be to improve their R&D and manufacturing site's cohesion with the local area. This could be particularly relevant in the defence sector, where security infrastructure around sites can make them feel cut off from the community.

Example 2 - Voluntary sector hub



In June 2022, a defence business, in conjunction with a local charity organisation, invested funds to set up two new hubs to enable voluntary sector organisations to share facilities, reduce costs and to collaborate on projects improving social outcomes for the local community.

One of the groups using the new space was a charity run by parents and carers of children with special educational needs and/or disabilities. The defence business has also committed to offering a range of support, mentoring and coaching to the network of charities.

- This ongoing voluntary sector hub initiative could be leveraged to deliver additional Social Value through a contract, for example under Theme 4, Equal Opportunity, Policy Outcome Reduce the disability employment gap. The defence business could:
- Gain a much deeper, evidence-based understanding of the issues affecting the development of new skills by disabled people in the workforce in the sector relevant to the contract, in their own organisation and those of its key sub-contractors.
- Seek to understand the underlying factors affecting improvements to reduce barriers to training schemes for disabled people in the contract workforce.
- Offer a range of opportunities to school leavers with special educational needs and/or disabilities to work on the specific contract, working with the charities in the hub and learning from their insights.



Example 3 - Recruit for Spouses [RFS]

Since 2011, a defence company has supported a coaching programme, “Recruit for Spouses (RFS)”, to help to bridge the gap between employers and spouses/partners of serving Armed Forces personnel and veterans. The defence company’s ongoing support under their ESG/CSR comprises funding and encouraging employees to give their time and experience as volunteer coaches and mentors. Support has also been extended help RFS expand its Career Academy, which helps to prepare spouses for their journey back into work by providing tools such as CV workshops, interview techniques and coaching and mentoring.

The initiative could be leveraged to deliver additional Social Value through a contract, for example under Theme 4: Equal opportunity. The defence company could focus on removing the barriers to employment experienced by serving personnell's spouses and partners in a specific contract. Existing military spouse and partner networks could be used to showcase vacancies for the contract. This SV could also be delivered overseas, if that was where the contract was based, where spouses and partners of posted personnel can particularly struggle with isolation and difficulty obtaining work permits.

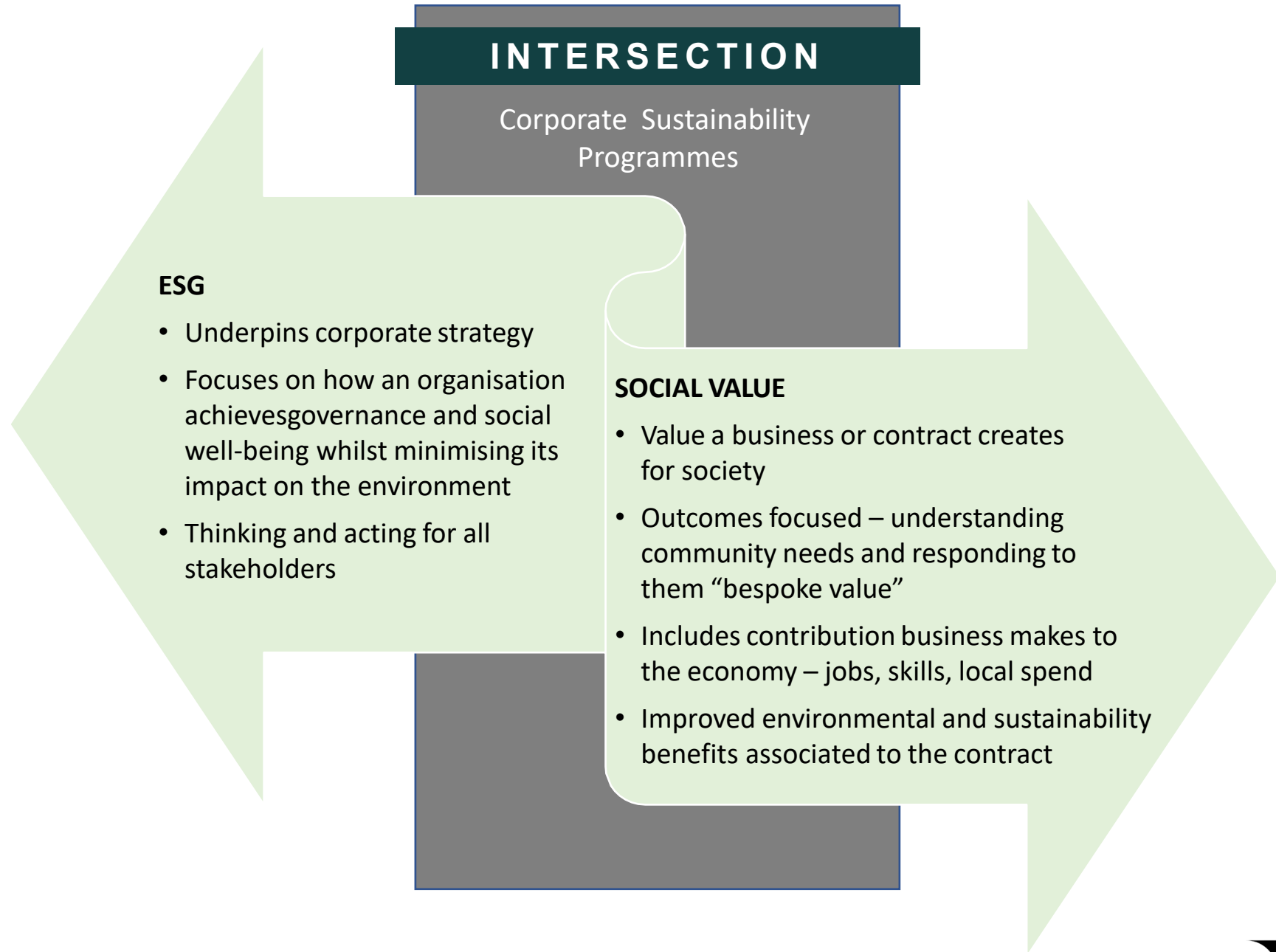
Example 4 - Honeybee project

In 2023 a defence company working at an RAF base collaborated with RAF colleagues to form a bee colony on base, as part of a wellbeing and conservation garden. The Team looks after six colonies totalling around 60,000 bees. As well as preserving bees and the environment, the initiative serves to educate the community as to the environmental benefits of having these colonies. Beekeeping also offers mental health and wellbeing benefits.

When the defence company engages with organisations local to a specific contract elsewhere, they could learn that a similar initiative would meet a local Climate Change priority. Armed with insight from the lessons and SV KPIs from the RAF base initiative, the defence company could deliver SV under Theme 3: Fighting Climate Change and Theme 5: Wellbeing by creating and monitoring another bee colony and conservation garden in the location of this new contract.



Leveraging corporate initiatives to deliver additional Social Value



Leveraging corporate initiatives to deliver additional Social Value

Example corporate activity	Opportunities to leverage to provide 'additionality' as part of a Social Value commitment
Long-term technology partnerships with Universities, e.g. sponsored PhD programmes or multi-year research.	Outreach events to communicate research and technology development activities with a wider community of interest relevant to the contract, for example SMEs in the supply chain. Activity throughout the contract to establish an enduring legacy of links between the technology partnerships and the community.
Company-wide Equality, Diversity & Inclusivity programmes to drive equal opportunities for all staff.	Sharing of ED&I best practice with others, for example the client's organisation or the wider supply chain, including establishing long-term links and collaboration between related ED&I networks in different organisations.
Established partnerships with charities, e.g. supporting veterans into employment.	Using established networks with charities to create awareness of employment opportunities in a contract, or creation of joint training programmes, to upskill specific groups. Alternatively invest in a specific number of volunteering days through the contract to offer support to initiatives that align to the contract and the chosen SV Policy Outcomes, for example supporting charities.

Leveraging corporate initiatives to deliver additional Social Value

Example corporate activity	Opportunities to leverage to provide ‘additionality’ as part of a Social Value commitment
Structured early careers programmes to develop and upskill new employees, including apprenticeship and graduate intakes.	Opening-up places on development schemes, or elements of those schemes, to benefit staff from the client organisation or the wider local community. Or formal rotation of graduates and apprentices through roles relevant to the contract, or short-term placements with the client.
Corporate policy covering fair and open recruitment and transparent promotion processes to minimise bias or discrimination.	Sharing of information on approaches to minimise bias, for example through ‘lunch and learn’ training sessions or agreement to share baseline data and regularly exchange information on performance between the client and supplier, and report this to the Authority.
Pre-existing supply chain used across multiple products and contracts.	Sharing of more information on likely future pipeline(s) of activity with SMEs in the supply chain and/or new SMEs that might be able to provide new products and /or services. Commitments to work with SMEs in the supply chain to optimise processes and manufacturing to provide long-term benefits beyond the lifetime of the contract.



SOCIAL VALUE REPORTING

Reporting is a requirement of Social Value.

The Model requires suppliers to describe how they will monitor, measure and report on their proposed Social Value commitments.

The next slides will offer hints, tips and suggestions for good practice for SV reporting.

Social Value Reporting

Standard Reporting Metrics:

The Model outlines standard (or standardised) reporting metric for each policy outcome.

Metrics are the numeric outputs related to how a supplier will deliver the quantitative aspects of Social Value under the contract. Measure not outcomes.

Tip: SRMs are measures not outcomes.

KPI agreement:

KPIs should be agreed appropriately based on the reporting of performance against those SRMs or other appropriate metrics.

Other metrics:

SRMs do not cover the totality of the Social Value model and suppliers may offer other metrics to demonstrate delivery and/or impact of their commitments.

Tools:

Suppliers should choose their own tooling for reporting on Social Value commitments. Tools range from a standard spreadsheet to an ESG-aligned reporting system. All tools are likely to include SRMs and other metrics as well as qualitative feedback.

Progress Reporting:

Social Value reporting should be included in standard contract management governance as far as possible. Quarterly updates are common. Suppliers should report on performance against their Social Value commitments.

Social Value Reporting

KPI reporting:

Quarterly reporting cycles may be appropriate (though for shorter duration contracts more frequent reporting may be needed).

Frequency of reporting should form part of contract award discussions to allow for fluctuations and dependencies on events such as recruitment cycles.

As part of good practice, Suppliers should be required to provide a minimum of an annual KPI report based on progress against the SRMs.

Social Impact Reporting:

Social Impact is specifically not a requirement of the Social Value Model and should not be used for any evaluation or assessment purposes.

Summary Reporting:

Social value should be considered across the whole contract duration and may even extend beyond e.g. apprenticeships. Suppliers provide a summary social impact report at contract end.

Tip: It is acceptable for zero return against SRM, if you have identified more appropriate reporting metrics to support the MAC outcomes, as long as you explain why and provide an alternative.

Useful Resources

CABINET OFFICE GUIDANCE

The Social Value Model

[Social-Value-Model-Edn-1.1-3-Dec-20.pdf](#)

Guide to Using the Social Value Model

[Guide-to-using-the-Social-Value-Model-Edn-1.1-3-Dec-20.pdf](#)

Social Value Model- Quick Reference Table

[Social-Value-Model-Quick-Reference-Table-Edn-1.1-3-Dec-20.pdf](#)

Guidance on applying Outcome 2 of the Social Value Model to Digital, Data and Technology Contracts
[contracts](#)

Useful resources

Industry Resources (other resources are also available, these are provided as examples only)

Supply chain sustainability school:

Free to sign up with modules and resources to learn about improving aspects of organisations' sustainability footprint. supplychainschool.co.uk/ | Contact- ian@supplychainschool.co.uk

Whatimpact:

Free resources to access such as white papers. What impact is a platform that match companies with local Social Value initiatives and deliver evidence-based impact reporting.

[whatimpact - the social value management platform](https://whatimpact.com/) | [Contact- tia@whatimpact.com](mailto:tia@whatimpact.com)

White paper reports from [What impact - whatimpact.com - Comprehensive Social Value Handbook](https://whatimpact.com/whitepapers/)

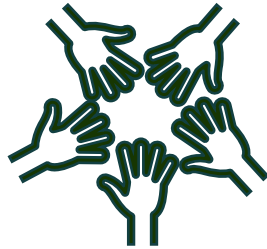
APMP UK Social Value Group:

Free resources, blogs and tips to help you with the subject, bid writing, how to boost your tender scores, guiding your customers, and more. [Social Value \(apmpuk.co.uk\)](https://apmpuk.co.uk/social-value/)

Social Value Platform

Free resources, webinars, papers and information - socialvalueportal.com/resources/guide/social-value-101/

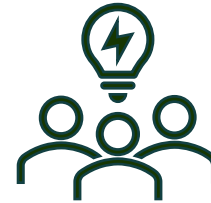
Caveats



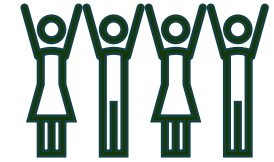
This is an unofficial, informal guide written by people working in Social Value in Defence, seeking to help other people working in our sector, particularly SMEs.



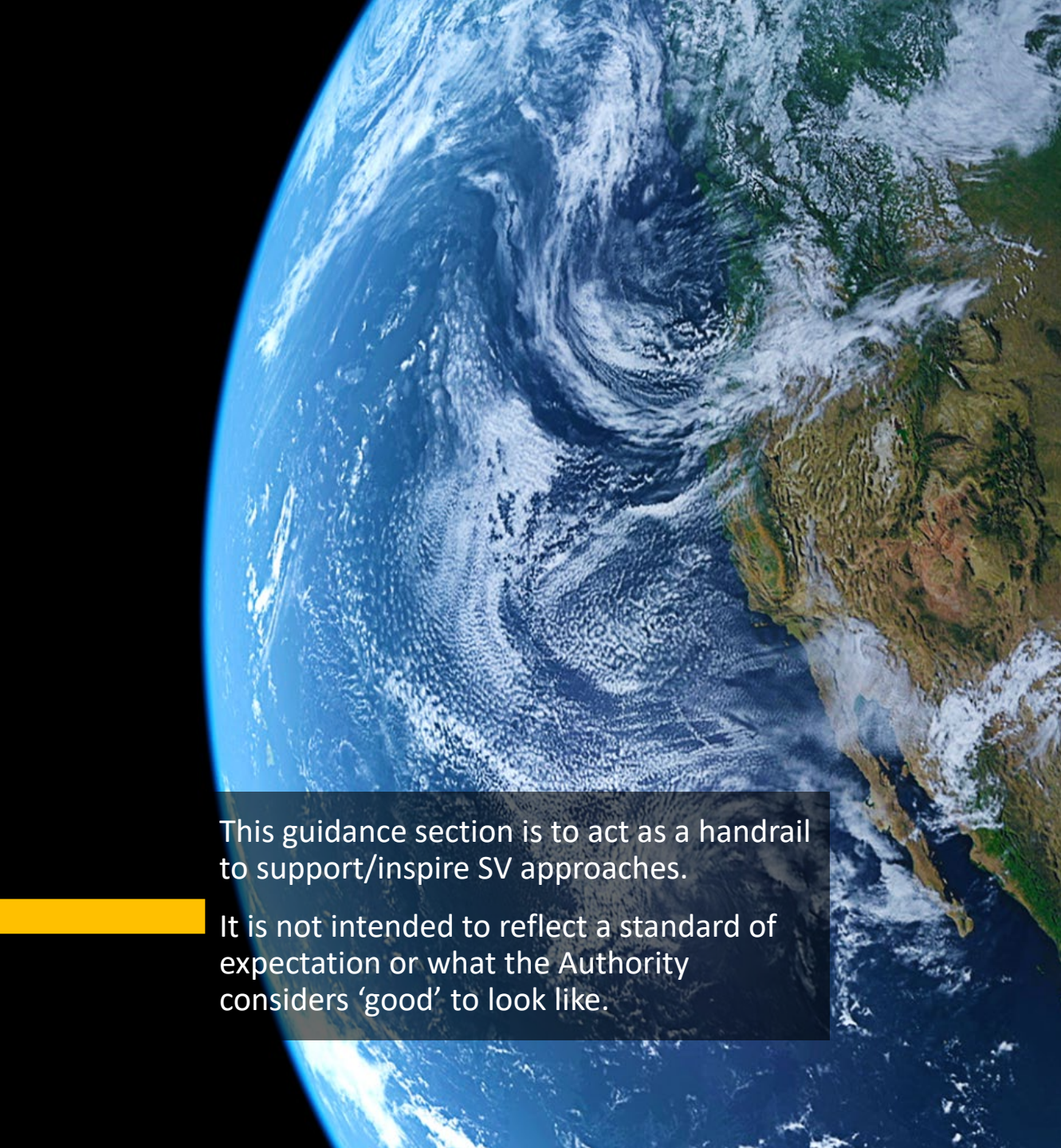
It does not seek to replace the official guidance.



This guide is intended to be iterative and interactive, and to provide food for thought on the common Social Value learning journey.



Created by volunteers. Please do share your experience and knowledge.



ANNEX A. DEEP DIVE INSIGHTS

Climate Change and Sustainability Subgroup

The insights detailed in Annex A are the outputs of The Climate Change & Sustainability (CCS) and the Social Value Defence Suppliers Forums jointly supporting a sub working group.

The sub working group was established to understand the relationship between core Climate Change direction and how this may impact on the scope of additional value against the Fighting Climate Change theme of the Social Value Model.

Insights detailed here are intended as additional information for those using the Model. It provides a degree of guidance in supporting industry when tenders have an element of core Climate Change requirements and its relationship to the Social Value model.

This guidance section is to act as a handrail to support/inspire SV approaches.

It is not intended to reflect a standard of expectation or what the Authority considers 'good' to look like.

Annex A. Fighting Climate Change - Guidance

Issue	Guidance
<p>All fishing in the same pond Through engagement with the SV and FCC Defence Supplier Forum members, it was highlighted that at tender, they are finding that multiple organisations are contacting the same stakeholders within a short period looking to establish relationships and commitments. This is overwhelming these stakeholders.</p>	<p>A key element of SV is the organisation recognising the challenges it faces and how additional value can be realised through delivery of the contract. For most organisations they will be tendering for opportunities aligned with its core business activities. Therefore, a potential solution is to raise SV as a strategic requirement at board level and develop relationships and commitments, prior to a tender being released.</p>
<p>Commercial Sensitivity In some scenarios it has been highlighted that commercial constraints mean it is not appropriate to engage with certain stakeholders during an active competition, where potential opportunities exist during delivery of the contract.</p> <p>In some cases it has been highlighted that organisations are dealing with demands placed on their services by a third party; therefore, it can have no direct impact on FCC.</p>	<p>Where an organisation has identified an issue and has a concept to deliver additional value, a detailed plan and firm commitment can demonstrate to the Authority ‘how’ the organisation intends to realise the value. Obviously, the success of delivering the plan may be contingent on a third party agreeing; the point is that there is a plan and firm commitment to try and deliver the additional value.</p> <p>Where there is insufficient information, it may be appropriate to establish collection of data / automate data to better define and understand the issue</p>

Annex A. Fighting Climate Change - Scenarios

Scenario	Guidance
Organisation tendering to provide waste management services for general waste	<p>There are strict legal requirements for the management of waste. Little can be done beyond offering management of waste streams (e.g. general, recycling) which is part of the core requirement. The organisation does not produce the waste and cannot engage with establishment representatives during the tendering process.</p> <p>The tendering organisation commits to measuring the waste streams and has a plan to engage with the waste producers to identify any opportunities and collaborate to reduce waste streams.</p> <p>An indicative example: significant volume of cardboard coffee cups are produced. The waste management organisation engages with the facilities management team to identify potential solutions to reduce, such as, installation of cup washing stations and provision of reusable cups.</p>
A supplier of materials and equipment has identified a potentially significant impact results from transportation, throughout the supply chain.	It commits to establishing data collection, ideally automated, throughout the supply chain and collaborating with its supply chain long term to reduce the number of miles and look for low carbon transportation methods.

Annex A.

Fighting Climate Change – Model Award Criteria (MAC)

Addressing Multiple MACs:

An intervention that is created may address more than one Social Value MAC, this is a positive and should be signposted in your response even if the MAC has not been selected as part of the assessment criteria.

Initiatives do not have to be specific to a MAC. Complimentary or considered plans that maximise SV across a number of MACs is acceptable.



Consider:

- Measuring and monitoring
- Reduction, efficiency
- Data driven decisions
- Supply chain management
- New ways of delivering
- Acceleration of existing plans
- Culture and Change

Defence Suppliers Forum

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ABOUT THE DEFENCE SUPPLIERS FORUM

The Defence Suppliers Forum (Main) is the major conduit for MOD-industry relationships.

It is chaired by the Secretary of State for Defence and includes representatives from prime contractors, international companies and small and medium-sized enterprises (SMEs).

This allows for a broad, representative and productive focus for interaction between the MOD and industry. ADS is a rotating member of the DSF Main, participating in 1-2 meetings per annum.

gov.uk/government/groups/defence-suppliers-forum

