SFMI
Toolbox Talk
Series

Social Value

in Facilities Management

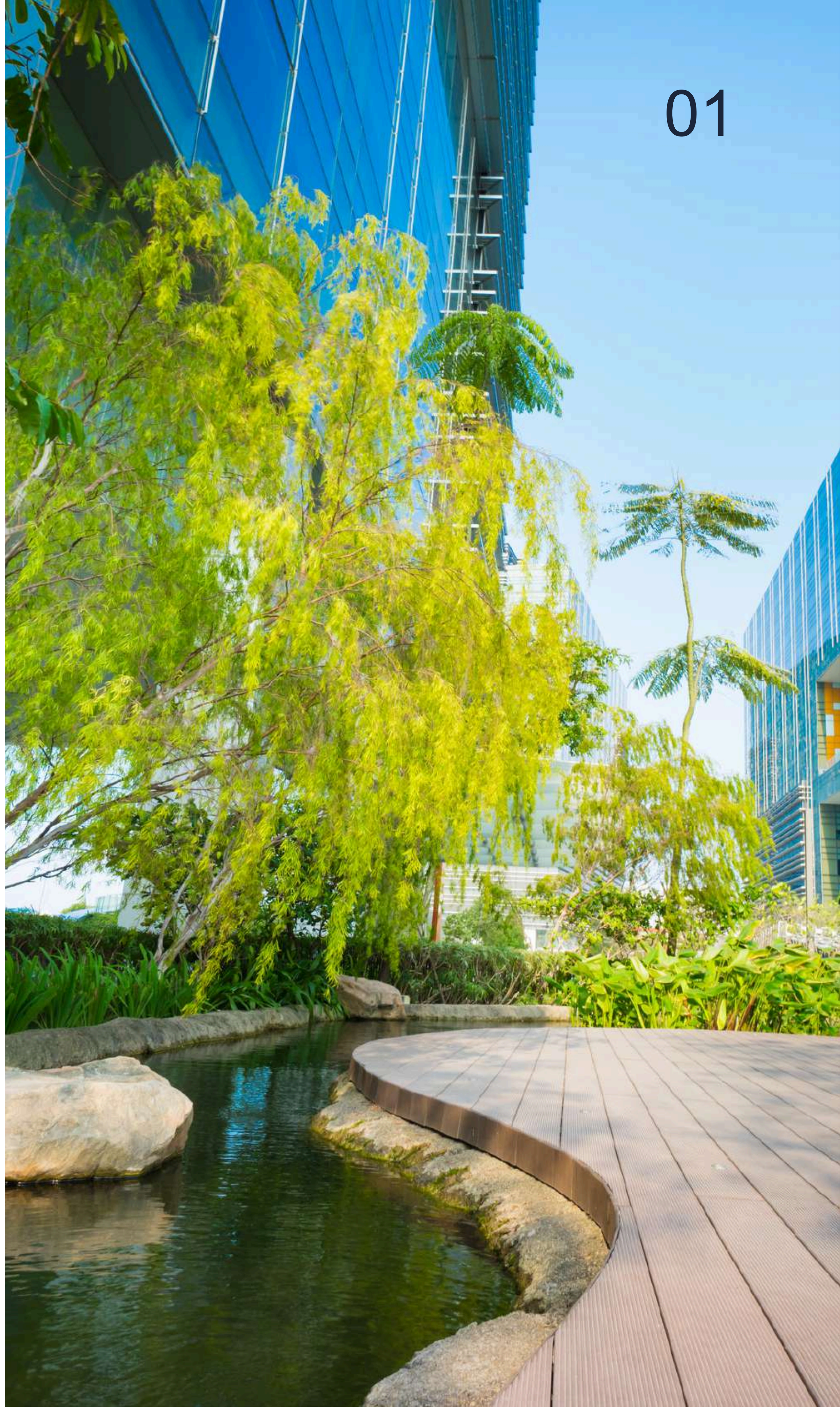
Why social value matters in FM, and how to embed it into everyday operations, procurement, and reporting practices.

SFMI
The Sustainable FM Index

What is social value?

Social value refers to the positive outcomes organisations deliver to society through their operations, including economic, social, and environmental impacts.

ESG (Environmental, Social, and Governance) and social value are related but distinct concepts. ESG focuses on integrating social and environmental factors into business decision-making and reporting, while social value emphasises the positive impact a business has on society beyond compliance and risk management.



What does social value include?

Social value in FM can include creating local jobs, supporting SMEs and social enterprises, reducing inequality, improving health and wellbeing, and reducing environmental harm. It goes beyond compliance to deliver long-term-outcomes and social mobility. Frameworks (such as those referenced on page 5) help define and track progress across areas like employment, growth, environment, and social wellbeing.

Why is it important for FM?

FM operates at the intersection of buildings, services, and people employing some of the lowest paid individuals within the business. Their reach into local communities and supply chains puts them in a unique position to deliver meaningful impact – taking disadvantaged individuals and providing them with a career and future. With public sector expectations and ESG demands from clients, demonstrating authentic social value is now a business imperative.

The Procurement Act 2023 has shifted the focus from Most Economically Advantageous Tender (MEAT) to Most Advantageous Tender (MAT). Maximising public benefit is a key consideration which emphasises a broader approach to value rather than just cost savings.

Why does social value matter?

Drivers for FM

FOR FM SUPPLY CHAIN:

- Increasing public sector requirements (e.g. Social Value Model in procurement – Mission Led Themes and Application)
- Materiality informed by stakeholder views and needs provides a competitive advantage in bids and long-term contracts
- Client demand for alignment with their ESG and social goals
- Stronger supply chain accountability on ESG, including SV commitments
- Demand for transparent reporting from clients and stakeholders
- Differentiation through authentic delivery, not box-ticking

FOR PROPERTY TEAMS

- Internal ESG or CSR targets and reporting frameworks linked to company-wide goals
- Pressure to show tangible community and social impact
- Need to meet public sector procurement requirements
- Improving organisational reputation and stakeholder trust
- Greater staff engagement and retention through purpose-led work
- Regulatory alignment, particularly in public-sector buildings and services

Relevant frameworks & regulations

- **Procurement Act 2023**: Provides a revised focus on maximising public benefit and a move away from highest cost to value.
- **Public Services (Social Value) Act 2012:** Requires social value to be considered in public procurement.
- **PPN 06/20** – Social Value in Government Procurement: provides guidance on how to incorporate social value into the award of central government contracts.
- **National TOMs Framework, HACT and MeasureUp**: Widely used tools for structuring, delivering, and reporting social value.
- **Social Value Model (UK Gov)**: Built into public procurement since 2021, especially for central government contracts.
- **Scotland Procurement Act** (as shared by Scotland Excel at the SFMI Leaders Forum): Signals greater regional integration of social value in public contracts.

Challenges for FM

- High staff turnover makes long-term SV projects (e.g. apprenticeships) difficult to sustain
- Difficulty in defining and measuring meaningful impact
- Limited sector-specific guidance for FM
- Inconsistent delivery across contracts and regions
- Inconsistent integration of SV into procurement and supplier engagement
- Limited internal capacity or training to embed SV at operational level
- Misalignment between corporate social goals and site-level delivery
- Risk of "box-ticking" or overstated financial valuation (e.g. greenwashing)

What to do next

Baseline your social value activity:
- Map existing projects and align with frameworks like TOMs or PPN 06/20

Identify key impact areas:
- Focus on issues relevant to your organisation and the communities you operate within.
- Understand what outcomes you would like to achieve

Use a recognised framework(s) for consistent measurement

Design projects intentionally
- Plan for both short- and long-term impact
- Seek supply chain partners to operate in collaboration with

Develop meaningful measurement
- Combine quantitative outcomes with qualitative stories; explore tools like SROI (social return on investment)
- Focus on outcome quality over quantity

Define what success looks like
- Create a clear framework for delivery, measurement, and improvement

Integrate SV into procurement and supplier contacts
- Weigh social impact alongside cost and quality when making purchasing decisions

Upskill FM and property teams to deliver and report on SV

Share both quantitative impacts and real-life case studies

Useful resources

- LGA SOCIAL VALUE TOOLKIT
- HACT
- WHATIMPACT
- SOCIAL VALUE UK
- PROCUREMENT ACT 2023
- NATIONAL TOMS FRAMEWORK
- UK GOVERNMENT SOCIAL VALUE MODEL
- PPN 06/20 GUIDANCE

SUSTAINABLE COMMUNITIES & SOCIAL VALUE WEBINAR RECORDING

Any questions?

Please get in touch.

Watch video

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