

Leaders Forum: Social Value

18th June, 2025

Presented by: Sunil Shah

Guest Speaker: Laura Muir

14/07/2025



Agenda

- 01 Introduction and Overview
- 02 Laura Muir from Scotland Excel presenting on the Scotland Procurement Act
- 03 Open Discussion framed around:
 - Experiences of social value
 - Key social value topics for the FM sector
 - How to measure social value
- 04 Summary and close



Legislative levers to maximise impact

Procurement Act

- Shifted the focus from the “**Most Economically Advantageous Tender**” (MEAT) to the “**Most Advantageous Tender**” (MAT).
- Maximising “**public benefit**” to be a key consideration. This change emphasises broader approach to “value” rather than just cost savings.
- Contracting authorities must have regard to the **National Procurement Policy Statement**.

National Procurement Policy Statement

- Sets out the Government’s mission-led approach.
- Contracting authorities are to procure **value for money**. This is value in the widest sense and specifically includes “socio-economic and environmental benefits”.
- They are to do this by:
 - *Driving economic growth*
 - *Delivering socio and economic value*
 - *Building commercial capability to deliver value for money and stronger outcomes*

PPN001 & PPN002

- To drive economic growth and strengthening supply chains by giving SMEs and VCSEs a fair chance at public contracts.
- Updates the Social Value Model to align with Government’s mission-led approach in the NPPS.



ESG, Social Value & Procurement

Topic	Considerations
M.E.A.T to M.A.T + 10% Weighting	• Client side: Justification for taking a broader view in assessing value for money beyond cost, proportionate to scope and type of contract being let. • Supplier side: Emphasis on the importance of social value alongside traditional economic and quality factors of contracts (core vs. bolt-on), aligned to long-term local and national needs/priorities.
UK Social Value Model – Mission Led Themes and Application	• Client side: Application of SV Model themes to type and scope of contract being let, drawn from needs of local community and stakeholder needs. • Client side: Structure of evaluation criteria – quality over quantity of public benefit committed. • Supplier side: Alignment of SV offering and approach to SV Model themes. • Limitations of Model's 'added value' criteria for Designers • Supplier side: Application of SV model questions and evaluation criteria, considerate of potential differences across clients and sectors.
Fairness and Inclusion (PPN 001)	• Client side: Ensuring procurement exercises (inc. pre and post-procurement) are accessible to SME and VCSE organisations. • Supplier side: Inclusivity of our own procurement and supply chain management practices.
Contract Management – Targets to Deliverables	• Client side: Added focus on ensuring bid commitments are delivered, requiring appropriate resource and/or controls on suppliers (e.g. contract terms). • Supplier side: Commitments need to be contextually relevant and achievable, supported by project-level processes for managing, measuring and reporting on SV commitments.

Social Value

- Developed out of public procurement and sector
- Focus on creation of positive outcomes and improving social, economic, and environmental wellbeing.
- Materiality informed by stakeholder views and needs.
- Wider focus on outcomes and changes in people's lives – measure to inform decision making and improve value creation.

Lifecycle analysis indicates over 80% of social value is realised during operational FM (post-construction).



Metrics are normalised per contract value (£), per square meter, or per occupant for comparability

Case studies:

- **245 Hammersmith Road (BNP Paribas):** Achieved over £600,000 in social value via local employment, community activities, and training programs.
- **University of Greenwich (Sodexo IFM Contract, 2020):** Delivered £3.08 million (32% contract uplift) social value through local job creation, SME engagement, and student employability initiatives.
- **ENGIE at Queen Elizabeth Olympic Park:** Reported £1.7 million social impact through monetised volunteer and wellbeing contributions.

Tech-Takeback Study, supported by CIWM

- Social value review of reuse of tech including reuse, redistribution of laptops for digital inclusion. Same approach applied to the TOMs, LOOP and HACT methodologies.
- Social value impact of activities:
 - TOMs - £657,000
 - LOOP - £1.1m
 - HACT - £19m (includes individual wellbeing and benefits from data protection and digital inclusion)



Opportunities:

- Increasing focus on measurable social outcomes provides FM providers competitive advantages in procurement processes.
- Leveraging emerging digital technologies to enhance real-time tracking and reporting of social value outcomes.
- Strengthening FM's role in early project phases, influencing design and procurement strategies to maximize long-term social impacts.

Challenges:

- Data collection and validation complexities, especially around ensuring accurate, credible measurement of social outcomes versus input-level metrics. Current metrics predominantly capture input-level activities rather than longer-term, meaningful social outcomes (e.g., wellbeing, sustained employment).
- Aligning short-term contractual obligations with the long-term nature of meaningful social value outcomes.
- Balancing standardized metrics with the need for tailored, locally relevant social value strategies.
- Importance of integrating stakeholder and community engagement through participatory design for relevance and impact.



Findings from The SFMI

To stay ahead, FM leaders can focus on three key areas:

Collaboration

Successful social value initiatives require new types of collaboration. FM providers must develop skills in a different type of activity and be willing to ask for expertise where theirs is only developing.

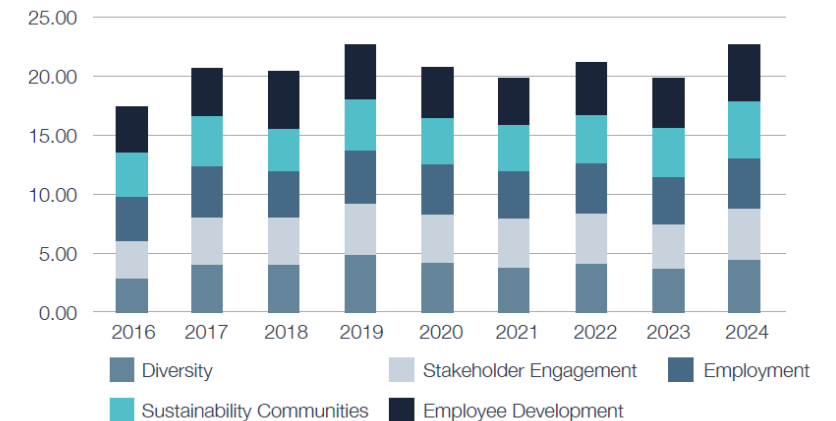
Data

Gathering, managing, and interpreting data on social value activities can be complex, especially for initiatives that fall outside the traditional FM scope. Creativity and expertise in data handling will be essential in uncovering insights and demonstrating the impact of these programmes.

Upskilling

Leaders who understand the importance of social value can bring vision as well as solid guidance to the decisions. The competencies are also important in the operational teams, in order to effectively embed the advantages into contracts as well as internal measures.

Average scores of related criteria for social value over time across all Partners



Guest speaker



Laura Muir, Strategic
Procurement Manager
(Contract Delivery) at
Scotland Excel



How Procurement Can Support Delivery Social Value

SFMI Leaders Forum – Wednesday 18 June 2025

Laura Muir – Scotland Excel



SFMI Leaders Forum



Scotland Excel – who we are and how we support our councils to achieve corporate objectives.



Creating Social Value through public sector procurement



Sustainable procurement and how this can play a critical role in minimising environmental impacts throughout the supply chain.



Scotland Excel – who we are and how we support our councils to achieve corporate objectives





Scotland Excel Portfolio

**Transport &
Environment**



Social Care



Construction



**Corporate,
Education &
OSS**



ICT



Total Value £2bn

Community Benefits



Fair Work First

The Fair Work First criteria are:

- payment of at least the real Living Wage
- provide appropriate channels for effective workers' voice, such as trade union recognition
- investment in workforce development
- no inappropriate use of zero hours contracts
- action to tackle the gender pay gap and create a more diverse and inclusive workplace
- offer flexible and family friendly working practices for all, and
- oppose the use of fire and rehire practices



Delivering Value

Scotland Excel Overview

SCOTLAND
EXCEL 



£2bn

Advertised value
of the portfolio



£631m

Spend where savings
have been targeted



£15m

Estimated savings



63
Number of live
frameworks



66%
Average utilisation



£1.5m
Estimated rebate earned

Suppliers



1,078

Number of suppliers
over all frameworks



76%

% SMEs over all
frameworks



739

Number of Scottish
suppliers over all
frameworks



84%

% of Scottish suppliers
that are SMEs

Learning and Development



446

Qualifications
awarded by
The Academy

Community Benefits

Total

2,327

459

96,922 hrs

£5.35m

April 23 to
March 24

381



Jobs

52



Apprentices

8,527 hrs



Work Experience

£1.5m



Charity/community initiatives

Real Living Wage

89%

Suppliers
paying the Real
Living Wage



Framework Information at Q4 23/24 | Spend against which savings have been targeted represents spend on frameworks across the portfolio, excluding Social Care service frameworks | Estimated savings figure comprises; direct price-based savings, cost avoidance (collaboration) and cost avoidance (indexation) | Rebates for 2022/23 | Community Benefits for 2023/24



Delivering Value through Community Benefits



Milk &
Ingredients



Müller Milk & Ingredients ASSIST FM Scholarship

Learning to Lead, Resilience, Mental Wellness





Sustainable Procurement Duty

Sustainable public procurement aims to make the best use of public money, helping us to achieve our overarching purpose and strategic objectives.

The [sustainable procurement duty](#), outlined in Procurement Reform (Scotland) Act 2014, aligns with our purpose to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

The Sustainable Procurement Duty is referred to in the [Public Procurement Strategy for Scotland](#), and sustainable procurement is central to multiple of the strategic objectives.

Prominent examples include:

- whole life costing: the promotion of life-cycle approaches to establishing value for money in procurement assessment processes
- food security: ensuring high standards of animal welfare, sustainable production and waste reduction through procurement processes to improve community health, wellbeing and education



Sustainable procurement and how this can play a critical role in minimising environmental impacts throughout the supply chain



Scotland Excel Sustainable Procurement Policy 2024 - 2028

Scotland Excel
Sustainable Procurement Policy

November 2024 - 2028



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SFMI
The Sustainable FM Index

Discussion

- Experiences of social value
- Key social value topics for the FM sector
- How to measure social value

Upcoming event

Roundtable on 8th July at 2pm
with Chris Oldham, City of London

Skyline Skills Hub and Future Skyline Skills Commitment

The Skyline Skills Hub was launched in 2024 by the City of London Corporation's Skills for a Sustainable Skyline Taskforce, with support from businesses across Central London's commercial built environment.

The Hub was a result of three years of collective industry action with other 350 firms from the Skills for a Sustainable Skyline Taskforce, bringing greater awareness of the need to boost and diversify the built environment workforce.

The focus for this session is around the lifecycle role of social value in the built environment, and how we can align with the skills gaps and need for sustainable delivery.





The Sustainable Facilities Management Index exists to drive ESG leadership in the FM sector through a partnership programme built on research, assessments, strategic solutions and collaboration. Through sharing the expertise and insights developed through its projects, it challenges the sector to embrace best practice and drive innovation that can empower the sector to raise standards in sustainable FM.

Find out more: www.acclaro-advisory.com/sfmi

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