



# SOCIAL VALUE: THE BIDDERS' PERSPECTIVE

A REPORT ON THE MATURITY OF SOCIAL  
VALUE FROM THE UK'S LARGEST BIDDING  
COMMUNITY

Presented by the APMP UK Social Value Group  
September 2022



# About the APMP UK Social Value Group

Founded in May 2021, the APMP UK Social Value Group is run by twelve enthusiastic social value champions from industries spanning construction, professional services, third sector, finance and technology.

We set out to help members:

- Understand social value and how best to approach it in bids.
- Boost social value tender scores.
- Advise employers and clients to embrace social value.
- Guide customers to ask sensible social value questions.
- Build social value into dialogue during capture.

Through webinars, blogs and regular discussion groups, we spread the social value word and encourage social value conversations.

We also engage with procurers and social value influencers to shape the future of social value.

Our primary focus has been on public sector social value in the wake of the UK Government's Public Procurement Notice 06/20 "Taking account of social value in the award of central government contracts" published in September 2020. As our journey has progressed over the last 12 months, we have delved into associated topics including ESG (environment, sustainability and governance) and the private sector. This has expanded our horizons, so we can support more members.

Follow us here: <https://www.apmpuk.co.uk/social-value>



# A report on the maturity of Social Value

As the APMP UK Social Value group shared experiences and engaged more widely, we started to learn about the social value highs and lows that members were experiencing. We found ourselves forming assumptions about the maturity of social value amongst buyers and suppliers. A year on, we resolved to test our assumptions through a survey – the foundation of this report.

## About the survey

Our aim was to take a snapshot of opinions covering the lifecycle of the tender process. We started our 35-question survey by gathering base data about the respondents' industries and markets, then we asked questions in the following categories:

- Pre-tender: to understand experiences of buyer maturity and levels of engagement with stakeholders and industry before a tender is issued.
- Tender questions: to see if published social value requirements and questions are relevant, proportionate and coherent.
- Tender responses: to understand the effort being put into social value responses and whether their responses are scoring well.
- Post award: to find out whether buyers are monitoring and measuring social value tender commitments and whether they are fully bought into social value.

We also wanted to find out more about the overall impact social value is having on respondents' employers and/or clients' businesses.

The survey was open to APMP UK members and non-members for four weeks. We had 156 respondents, 81% of which were APMP UK members.

## About the results

Over the next few pages, we present the results of the survey\*, how they compared with our various assumptions and what action(s) we recommend buyers and suppliers take going forward to improve the social value tendering experience for everyone and, most importantly, improve social value delivery in action.

\*Survey percentage results are rounded up to whole numbers.

Survey design by: the APMP UK Social Value Group  
Survey analysis by: Zeb Farooq, Steve Cawley and Ross Anderson  
Report author: Sarah Hinchliffe with contributions from Anna Inman and the survey analysis team

# Industry sectors and markets

**Assumption: Social value requirements are affecting everyone in the bidding profession, but mainly those supplying to the public sector.**

Before we got into the detail of social value, we wanted to understand where the respondents were from:

- Their industry sector.
- What they sell.
- What markets they sell to.

For this survey, we did not drill into how social value differs across industry sectors – an approach we would like to pursue in future surveys.

## What the survey found

We listed 11 industries with an option of 'Other' and found that our respondents came from a broad range of sectors including automotive, research and development and telecoms.

Using the public sector supply categories of Works (construction or civil engineering), Services (service provision) and Supplies (products), 88% of respondents sell purely Services or Services combined with Works and/or Products.

87% of respondents sell only to the public sector or to the public and private and/or third sectors.

## What the results showed us

Social value is included in tenders for all industry sectors and all types of market offerings. Whilst the majority of respondents are affected by the public sector legislation, social value is clearly starting to show up in the private sector too.

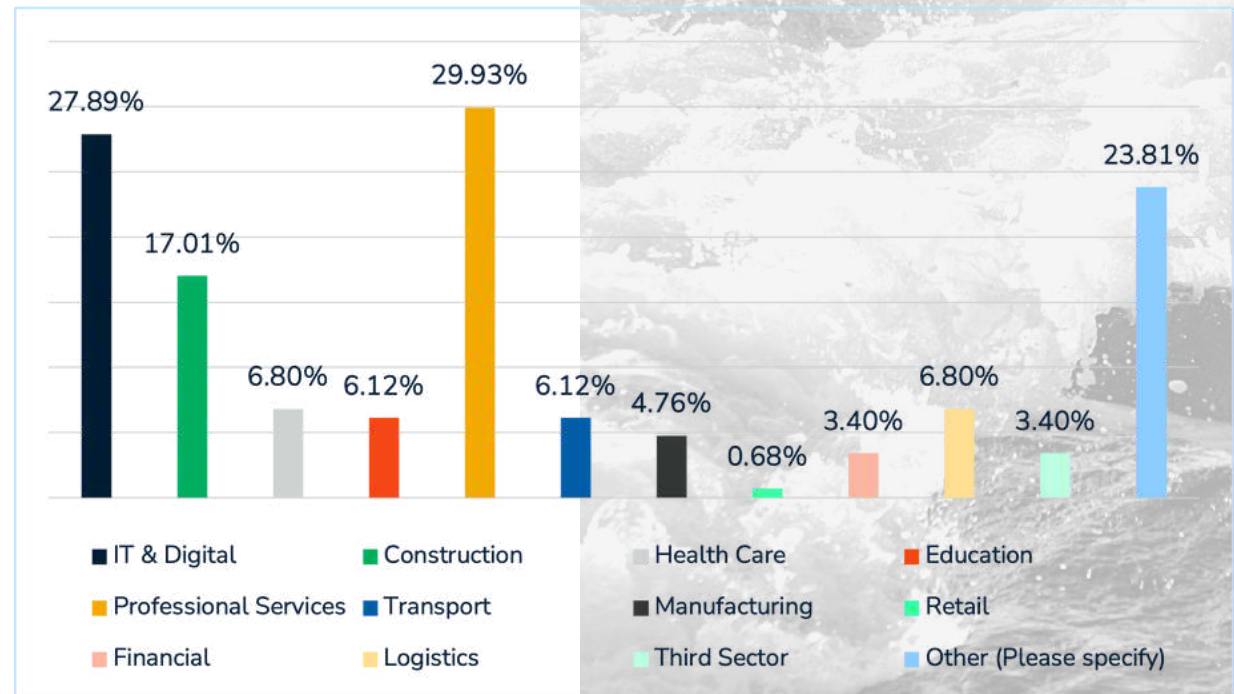


Figure 1: Survey respondents' industry sectors. Showing that social value is affecting everyone in the bidding community.

# Pre-Tender

**Assumption: Lack of buyer education and poor stakeholder and industry engagement are leading to social value being poorly represented in tender documents. This potentially affects the social value delivered to customers.**

To explore respondents' experiences of buyer maturity and levels of engagement with stakeholders and industry before a tender is issued, we asked questions around:

- Early involvement of respondents in shaping the buyers' social value requirements.
- Evidence of social value at Prior Information Notice (PIN) stage.
- Perceptions of buyer stakeholder engagement driving social value questions in procurement.
- Perceptions of buyers' social value knowledge levels.
- Views on the value of a standardised social value measurement framework.

## What the survey found

3% of respondents had experienced no involvement in shaping requirements, 38% had some involvement and only 20% had significant involvement. This response was supported by 47% of respondents who suggested that <25% of PINs showed any evidence of social value.

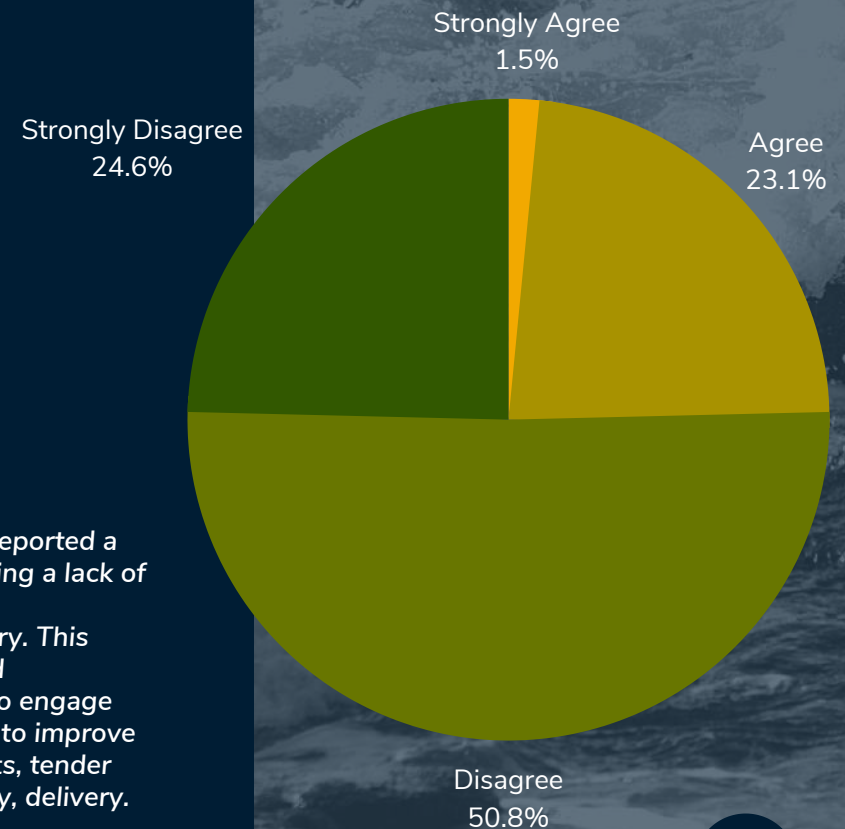
Respondents' perceptions of what is going on inside buyer organisations showed over 75% Disagreed or Strongly Disagreed that buyers engage well with stakeholders and industry to develop clear social value requirements and questions, backed up by over 80% feeling that buyers' knowledge of social value ranked lower than Good.

Finally, 96% Agreed or Strongly Agreed that a standard social value measurement framework would be beneficial for buyers and suppliers to prepare for procurement and fairly compare commitments.

## What the results showed us

It was good to find pockets of significant involvement between suppliers and buyers across a range of industry sectors. It would be interesting to find out if there is a correlation between the size of the supplier and the level of involvement. However, we were not surprised to find a strong tide of opinion that buyer education and engagement with suppliers and inside buyer organisations was felt to be lacking.

With 96% agreeing that a standardised social value measurement framework would help suggests that such a framework is not established. We had wondered if the UK Government Social Value Model would influence this response – it does not appear to have done, and we note that the model does not include quantitative measures. See later in the survey for the range of measurement frameworks and models encountered by respondents.



**Figure 2: Respondents reported a clear majority experiencing a lack of buyer engagement with stakeholders and industry. This suggests there is a good opportunity for buyers to engage more widely pre-tender to improve social value requirements, tender questions and, ultimately, delivery.**

# Tender

**Assumption: Social value is appearing consistently with a minimum weighting of 10%, but a lack of pre-tender engagement is often resulting in disproportionate and irrelevant question-setting.**

Although central Government departments must set a minimum 10% weighting for social value, we had seen examples ranging from 5% to 60%. Many of us, and those we spoke to, had seen examples of poor question-setting and inconsistency. We wanted to check what weightings respondents are typically experiencing and whether they are finding published social value requirements and questions relevant, proportionate and coherent. To probe these points, we asked questions around:

- How often social value has appeared in bids and at what weighting.
- Whether evaluation criteria are clearly defined and whether they are qualitative or quantitative.
- Whether social value questions are relevant and proportionate.
- Whether it was clear if and how social value would be monitored during delivery.
- Which themes from the Social Value Model were typically being used and what measurement models respondents had encountered.

## What the survey found

Just over 30% of respondents reported seeing social value appear in tenders >75% of the time. 18% saw it less than 25% of the time – this figure did not correlate with a public vs private sector difference. When social value was included, around 75% of respondents saw social value weighting of between 5%-15%.

An overwhelming 97% of respondents stated the evaluation criteria are either never or only sometimes clearly defined, yet 87% had experienced being evaluated quantitatively some or all of the time.

95% of respondents felt that tender questions were never or only sometimes relevant or proportionate. The same percentage indicated that mechanisms for monitoring social value during delivery were never or only sometimes clear.

Social Value Model (UK Government) themes that respondents confirmed they had seen most were Tackling Economic Inequality, Fighting Climate Change and Equal Opportunity. These outweighed COVID-19 Recovery and Wellbeing. The same question about measurement models showed 81% citing the National Themes, Outcomes and Measures (TOMs) as the one they came across the most.

## What the results showed us

We were surprised to find social value absent from so many tenders and buyers setting weighting below the public sector guideline (mandatory for central government) of 10%.

We were not surprised to find a strong opinion that questions are regularly not relevant and proportionate and there is a lack of clarity about how social value would be evaluated by buyers and measured during delivery. The survey appears to point to a connection between the lack of pre-tender engagement (internally and externally) and the subsequent poor tender questions and delivery plans.

In terms of themes, the results suggest that COVID-19 Recovery is not as high on the agenda as one might expect and it is a concern to see Wellbeing only ranking marginally better. This could suggest that the other three themes are generally easier to understand and measure.

It was no surprise to see the National TOMs topping the charts for the most used measurement model. Noting the previous high scores in favour of a standard measurement framework, it may point to the TOMs becoming the default standard. If this is the case, buyers' use of the TOMs does not appear to be improving the relevance, proportionality or delivery for the majority of tenders.

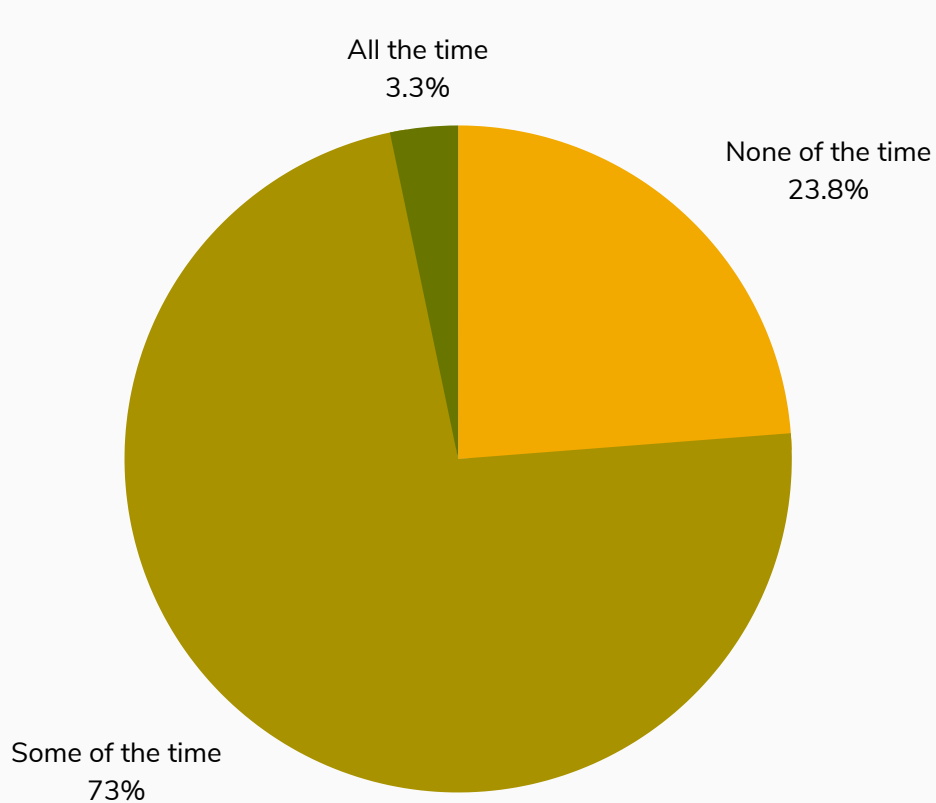


Figure 3: Respondents' views on whether evaluation criteria for social value tender questions are meaningful and clearly defined. We cited social value outputs, outcomes and impact as examples of demonstrating meaning and definition.

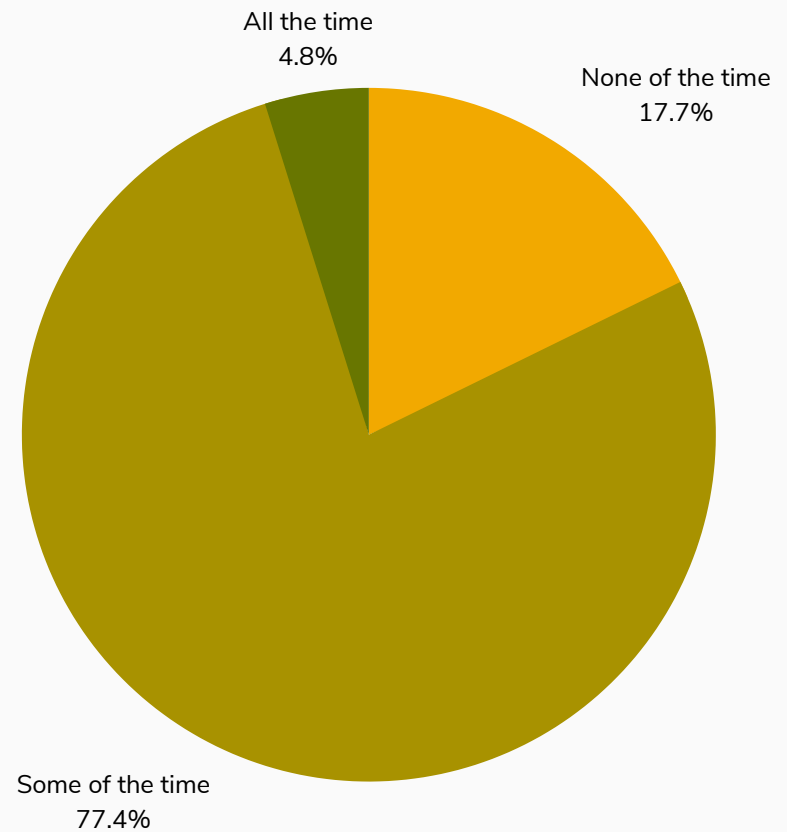


Figure 4: Respondents' views on whether tender questions are relevant and proportionate. This result points to a clear opportunity for improvement in question-setting.



# Tender Responses

**Assumption: Suppliers find social value questions challenging and they are spending a disproportionate amount of effort developing responses that do not necessarily provide a good return.**

We had received extensive feedback that suppliers were finding social value burdensome, yet we could not find any evidence of whether the effort was worth the return – in terms of raw social value scores or tipping the balance between a win or a loss. To ascertain how much effort social value responses require and how effective responses are, we asked questions around:

- The percentage of bid resource effort being spent on social value responses.
- The level of difficulty respondents have in understanding and/or responding competently to a social value tender question.
- Whether the tender questions enable meaningful and innovative responses.
- Typical scores and whether social value made the difference to winning or losing a bid.

## What the survey found

60% of respondents are spending between 5%-15% of their bid effort responding to social value questions. The remainder were evenly split between <5% and >15%, with 6% citing over 20%.

78% Sometimes or Often struggle to understand and respond well. The remainder were split between Never and Always. Only 16% felt they could consistently create meaningful and innovative responses.

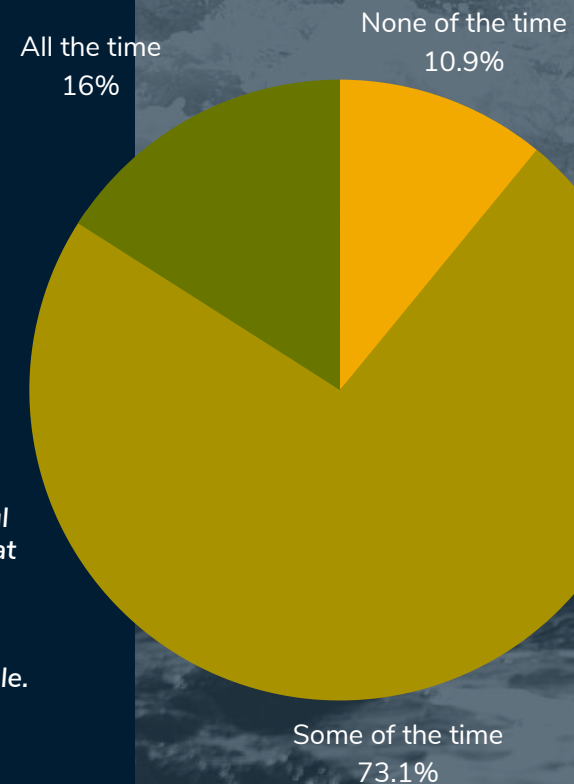
58% were typically achieving scores of >60% and 45% confirmed that their social value scores had made a difference to them winning.

## What the results showed us

We appear to be right in our assumption that social value questions are causing regular challenges, both in terms of understanding and creating great responses that will generate real social value in delivery. This could be a natural consequence of the lack of pre-tender engagement and the resulting irrelevant and disproportionate questions. It is easy to see how a disconnect through the process can occur.

However, the second part of our assumption appears ill-founded. The typical amount of effort being spent correlates well with the typical weighting – 5%-15% in both cases. We were also pleased to see some high scoring contributing to tipping the balance to a win.

These results suggest that suppliers are rising to the challenges and getting fair outcomes. After all, that is what we do for a living. But are we simply exploiting existing initiatives and making cookie-cutter commitments, or are we creating thoughtful and targeted social value propositions on a case-by-case basis? Just as we want buyers to embrace social value and not pay lip service, we need to do the same wherever we can.



**Figure 5: Only 16% of respondents felt they could consistently create meaningful and innovative responses. That leaves significant scope for mediocre to low social value commitments, yet the results suggest this is often acceptable.**

# Post Award

**Assumption:** There is inconsistency in the levels of buyer feedback and the degree of “holding to account” by buyers during project delivery.

Prior to the survey, we were hearing that buyer feedback was variable. We understood that the construction and infrastructure industries, where social value and the National TOMs are well-established, are monitoring and tracking more diligently. Conversely, services companies, for example, often find social value is never mentioned again after award. Therefore, we wanted to find out whether respondents were being monitored and measured on their social value tender commitments. We asked questions around:

- Whether respondents received meaningful feedback on their social value responses.
- How often buyers hold suppliers to account for delivering the social value promised in their proposals and whether they have contractual penalties for non-delivery.
- Respondents’ opinions on whether buyers really care about delivering social value.

## What the survey found

Only 20% of respondents Agreed or Strongly Agreed that they receive meaningful feedback to their social value responses, leaving 80% in the dark. Once into contract delivery, only 35% are held to account, whereas 65% are not.

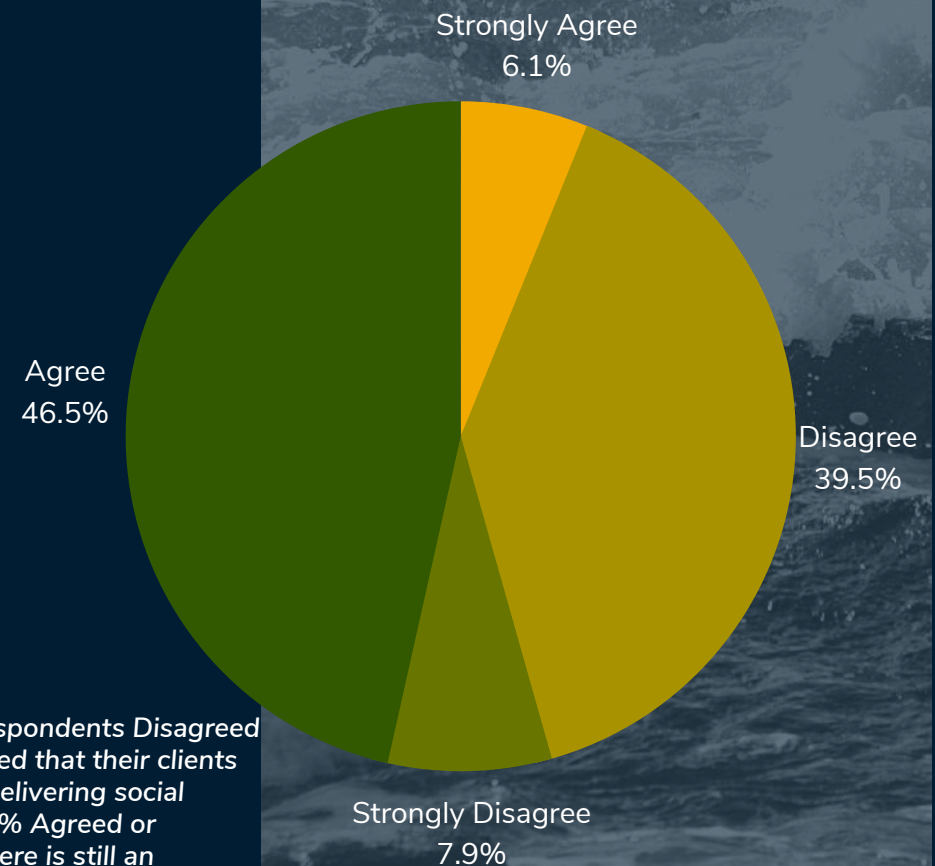
50% have never had any penalties for non-delivery of social value commitments, just under 4% always have and for the rest it is variable. The types of penalties include service credits and fee rebates.

In response to a Yes-No question about whether respondents feel that buyers care about social value, there was an almost even 50:50 split.

## What the results showed us

The results turned out to be even more surprising than expected in relation to respondents not getting the feedback they need to improve their tender responses or their genuine social value contribution. It was a similar story for being held to account, yet there was no clear correlation with a particular industry.

It is concerning that we are not getting a strong feeling of the buying community genuinely caring about delivering social value, and this does match up with the lack of engagement and poor question-setting. Are some buyers just paying lip service to the mandatory nature of social value? Or is there still a big education task to be completed in the buyer community?



**Figure 6:** 47% of respondents Disagreed or Strongly Disagreed that their clients really cared about delivering social value. Although, 53% Agreed or Strongly Agreed, there is still an opportunity to improve buyers’ knowledge and understanding

# Business Impact

**Assumption: Social value requires additional effort to gear up, deliver and track. For some, it is becoming a burden.**

We had heard reports of large companies setting up social value teams and, on the other end of the spectrum, small-medium enterprises (SMEs) struggling to keep their heads above social value water. To understand the overall impact social value is having on respondents' employers and/or clients' businesses, we asked questions around:

- Whether the rise of social value has increased company focus, on which specific aspects and whether it is regarded as an overhead.
- Whether organisations have C-suite level buy-in and a dedicated person who leads social value efforts.
- How respondents rank their own and their organisation's knowledge.
- Social value accreditation.

## What the survey found

A decisive 83% of respondents confirmed the increase in social value emphasis has impacted their organisation, with time and resource being the hardest hit. 80% Agreed or Strongly Agreed it is becoming an overhead.

70% had got C-suite-level buy-in and there was almost a 50:50 split on having a dedicated social value lead.

Organisational knowledge ranked Medium for 45% with the remainder split between High and Low. 53% ranked their individual level of confidence in being able to understand, discuss and communicate social value as Medium, 33% High and 14% Low. We saw a clear correlation between high knowledge levels and the presence of dedicated resource.

45% of organisations are working towards an accreditation, whereas 47% are not. The small percentage who have gained accreditation cite B Corporation, Social Value UK Levels 1, 2 and 3, and Social Value Quality Mark Level 3.

## What the results showed us

Our assumption was broadly correct. There is no doubt that social value has made its mark with senior focus and dedicated resources becoming common. It is not surprising that SMEs are finding it a challenge. Interestingly, few respondents noted an impact on profit – that may come with time as social value commitments are measured during contract delivery.

There is clearly a need for further social value education for bid professionals and more widely within many organisations, but it is still early days; on the ground, we still find organisations coming to social value for the first time. We were pleased to see 45% of organisations working towards accreditation, which will make them more prepared and capable of responding. It may not, however, count if tenders are demanding contract-based, locally focused social value.



Figure 7: Aspects of business impact. Showing time and effort ranking top, closely followed by cost and quality.

# Where next?

## *Remembering where we started*

When we set out, we had formed clear assumptions about the maturity of social value in the buyer and supplier communities. We were convinced that:

- Lack of stakeholder and industry engagement was causing disproportionate and irrelevant question-setting.
- Lack of standardisation was leading to multiple models which were causing duplication and overhead burden.
- Aggregated social value was becoming unaffordable and undeliverable.

The survey gave us an important temperature check on our views.

## *What we know now and where it leads us*

We were broadly right in our thinking, but the survey has corrected some of our views. There are some strong drives to build social value capability and pockets of social value excellence. As bid professionals, we need to build on these by:

- **Becoming more effective:** focus on engaging with buyers early to drive relevant and proportionate social value demands, create targeted, high-scoring social value responses and deliver true social value outcomes.
- **Becoming more efficient:** find ways to optimise the time and effort it takes to address social value in capture, respond to social value tender questions and deliver social value.
- **Maintain affordability:** build and deliver meaningful social value solutions without adversely affecting profitability and performance.

# How do we achieve our aims

We cannot change the social value world overnight, but we do need to work hard to improve in key areas and we need buyers to improve too – we cannot do it alone. Our top recommendations are:

- If we are going to get better social value delivery on the ground, we need to see an all-round improvement in how social value is implemented in the procurement process. We need buyers to understand their stakeholders' social value aims and see this cascade through tenders and into accountable delivery. We need buyers to think about the impact on the suppliers – the time, effort and cost they are facing every time. We need serious engagement and more relevance and proportionality. In return, suppliers must keep going with C-suite engagement to give social value the focus it deserves. Individual knowledge and social value champions are great, but they need corporate-level support.
- Boost education for buyers and suppliers, not simply about social value as presented by the buying community, but also about the impact on businesses. The APMP UK Social Value Group will continue to support members. Members can educate and encourage their employers and clients. We need the buying community to raise its game and increase its empathy with industry.
- Standardise on one model across all buyer departments and all industries to articulate requirements, score tenders, provide feedback and measure outcomes. This will save time, effort, cost and emotion, rather than constantly having to learn and adapt.

We will share this document as widely as we can with APMP UK members, buyers and social value influencers. Together, we can make a difference.



# The APMP UK Social Value Group Members

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