

Social value

What is it and why is it important?

Everything we do has an impact on society – from providing jobs and training, to protecting the environment.

By understanding and quantifying these effects where it is relevant to do so, social value can guide decision-making and broaden an organisation's measure of success beyond profit to capture its combined environmental, social and economic impact. This SUEZ definition also recognises that impacts can be positive or negative.

Social Value UK¹ defines it as: “the quantification of the relative importance that people place on the changes they experience in their lives.”

As well as value for money, public sector spending is increasingly expected to deliver tangible benefits for local communities, economies, and the environment. Through procurement, authorities can secure additional benefits for their local communities tailored to their particular needs.

Social value is also important because we can demonstrate those enhanced benefits we provide.

What is the political and legal framework?

Since 2013, all public bodies should ‘consider’ broader social, environmental and economic impacts under the **Social Value Act**² when procuring services. However, application varied widely.

In 2020, a **Procurement Policy Note (PPN)**³ required that all central government departments explicitly evaluate social value and give it a minimum 10% weighting score when awarding contracts.

To support the new procurement process, a **social value delivery model**⁴ sets out five priority themes:

Though not mandatory for local authorities, they are adopting this model. For example, Cornwall's updated **Responsible Procurement Policy**⁵ raises the weighting from 3% to 15%, and sets out its priorities.

1 <https://socialvalueuk.org>

2 <https://www.legislation.gov.uk/ukpga/2012/3/enacted>

3 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921437/PPN-06_20-Taking-Account-of-Social-Value-in-the-Award-of-Central-Government-Contracts.pdf

4 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940828/Social-Value-Model-Quick-Reference-Table-Edn-1.1-3-Dec-20.pdf

5 <https://www.cornwall.gov.uk/media/bw4l3xkb/procurement-social-value-policy.pdf>



the quantification of the relative importance that people place on the changes they experience in their lives”

– Social Value UK

+ COVID-19 recovery

+ Tackling economic inequality

+ Fighting climate change

+ Equal opportunity

+ Wellbeing



Social value

What are we doing?

We've always generated social value, whether by putting waste to good use or creating education tools for schools.

Guided by our **triple bottom line**¹ principles, we are building our contribution and making it more explicit by:

⇒ Embedding social value within our business

- ✓ Making social value a critical success factor (CSF)
- ✓ Allocating part of managerial bonuses to CSFs for social value and sustainable environment
- ✓ Creating a network of Sustainability Champions to apply our 10 sustainability principles at our local sites
- ✓ Expanding our network of reuse shops, opening at least one per region in 2021

⇒ Measuring our social value

We partnered with **Social Profit Calculator**² to create our own Social Profit Tool.

This uses 88 KPIs to measure our environmental, social and environmental impacts locally and as an organisation.

The information used by the tool is already captured by other business processes and is supplemented by data from our Sustainable Environment app. The tool analyses each KPI against nationally recognised benchmarks and presents the results on an online dashboard – downloadable as an Excel file or PDF report for our stakeholders.

In 2020, we created £1.98 billion in social value (up from £1.55 billion in 2019).

Our social value ratio in 2020 was £2.26 and £2.32 in 2019.

The slight drop was primarily due to our lower social activities and reuse shop closures as a result of the COVID-19 pandemic.

1 <https://www.suez.co.uk/en-gb/who-we-are/suez-in-the-uk/a-sustainable-business>

2 <https://socialprofitcalculator.co.uk>

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How are we achieving results?

The contributions we make can be company-wide or local, sometimes enshrined in our contracts.

Our social value plan for waste treatment services provided to the **Greater Manchester Combined Authority**¹ includes 54 separate outcomes. These relate to nine priority areas, ranging from apprenticeships and training to reuse shops and a specialised reuse and repair hub.

Collection services for the **Somerset Waste Partnership**² and the **Royal Borough of Kensington and Chelsea**³ also involve dedicated community benefits plans.

Examples of our nationwide contributions:

- + The **SUEZ Communities Trust**⁴ and **community funds**⁵ for various contracts collectively contributing £3.9 million to local community and environment projects in 2020.
- + **STEM education resources**⁶ created during the pandemic helped home-school parents and teachers inspire the next generation of eco-conscious innovators.

How we help

We've taken the lead in our sector, putting social value at the core of our business and developing a robust and functioning tool for measuring social value.

We promote the social value agenda through our **Social Value Guide for Environmental Services**⁷ (with Eunomia), hosting webinars, and **our blog**⁸.

1 <https://www.suez.co.uk/en-gb/news/press-releases/190531-gmca-appoints-suez-as-new-contractor-for-greater-manchesters-waste-and-resources-management-services>

2 <https://www.suez.co.uk/en-gb/news/press-releases/200407-recycling-is-bright-in-somerset-with-suez-contract>

3 <https://www.suez.co.uk/en-gb/news/press-releases/201009-suez-named-preferred-bidder-by-kensington-and-chelsea-council>

4 <https://www.suezcommunitiestrust.org.uk>

5 <https://www.suez.co.uk/-/media/suez-uk/files/publication/suez-sustainabilityreport-2020-web.pdf>

6 <https://www.suez.co.uk/en-gb/our-offering/communities-and-individuals/education-tools-and-resources/stem-education-resources>

7 <https://www.suez.co.uk/en-gb/news/press-releases/210325-guide-highlights-vital-role-for-social-value-in-combatting-climate-change-and-supporting-a-green-recovery>

8 <http://puttingwastetogooduse.co.uk>

