

# SOCIAL VALUE PROCUREMENT MEASUREMENT AND EVALUATION

A Global Review and Assessment of Social Value Procurement  
Evaluation Toolkits and Frameworks

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This research finds that successful social value procurement (SVP) evaluation frameworks share the following characteristics: a clear articulation of the end-goal, a transparent and consistent process for gathering baseline data that can be aggregated to provide a broader picture of SVP impacts, and a simple, built-for-purpose and proportionate approach that focuses on a small number of measurable outcomes developed through consultation with stakeholders.

Most public contracting authorities agree with the benefits of integrating social value considerations into their procurement processes to generate positive social, economic and environmental impacts for communities. However, few contracting authorities engage in measuring and evaluating the outcomes and impacts of their SVP policies and programs.

This research finds that barriers to measuring and evaluating SVP relate to two themes:

**Resource challenges** include the lack of knowledge and skills among contracting authorities and the resource intensity of meaningful data collection. As a result, the burden for data collection and evaluation is often shifted to social enterprises, which can have negative impacts on the sector, such as privileging larger providers that have more resources to dedicate to evaluation and compromising social enterprises' competitive position by requiring them to share proprietary data.

**Interpretation challenges** relate primarily to the lack of clear definition of social value, which has implications for how SVP impacts are measured and evaluated. These implications include a lack of meaningful indicators to track and to measure SVP impacts over time, and a lack of guidance when conflict between objectives arise.

Evaluation is key to achieving SVP policy objectives, and the lack of progress on evaluation is a significant barrier to implementation. For contracting authorities, evaluation demonstrates value for money

and accountability to the public. For social enterprises, evaluation allows for the articulation of their social value and the promotion of their own internal learning. For the broader procurement marketplace, evaluation contributes to setting new standards and norms and promotes a more competitive and diverse universe of contractors from which to purchase goods and services.

This report reviews and summarizes key themes, challenges and lessons across twenty SVP evaluation toolkits and frameworks that have been developed by regional and national governments around the world.

To deepen the understanding of SVP evaluation challenges and opportunities, the report draws on five case studies of evaluation frameworks with leading jurisdictions, including Australia (State of Victoria) Canada (Manitoba Housing); the Scottish Government, the Housing Association Charitable Trust (United Kingdom) and the Anchor Institution Dashboard and Greater University Circle Initiative (United States). Case studies draw on a review of public information and in-depth semi-structured interviews with fourteen contracting authorities and evaluation experts. While there are several differences between the frameworks, the research also identifies several common themes, including:

### **Designing SVP Evaluation:**

Ease of use, built for purpose, and proportionate to the task are key to designing successful frameworks. Most SVP policies and programs are mandated by

policy makers and enacted through regulation. These regulations should include the requirement to evaluate the program on an on-going basis.

The requested social impact should be meaningful and measurable, with a small number of focused outcomes that are built from the ground up. These outcomes should be quantifiable and verifiable, with beneficiaries clearly identified.

In many cases the SVP policy is aligned with a larger set of State, Province, Country or even global goals. These strategic priorities should be set at the policy level and conveyed to the contracting authorities and contractors, rather than leaving it up to these actors to design and shape the SVP program goals.

#### **Engaging Stakeholders:**

Commissioners and procurement officers should engage service providers when designing evaluation frameworks for social value. There are several reasons why working with service providers is important.

First, providers can help commissioners to design evaluation criteria in a way that is proportional to the impact of the provider's service. Governments can also invest in building capacity of social sector organizations.

Second, engaging with providers in designing evaluation can help to ensure that the monitoring and evaluation process gathers data that are useful for both the funder and the provider. Finally, engaging providers in evaluation is key to ensuring that evaluation serves as a tool for deliberation and change.

It is also important that evaluations capture the experiences and perspectives of the end-users of services that are provided by contractors.

#### **Data Collection and Platforms:**

Most SVP evaluation frameworks and toolkits use large Excel spreadsheets for collecting data on the agreed upon key performance indicators (KPIs).

A few more advanced toolkits and frameworks use more sophisticated on-line platforms for data collection. On-line platforms have several advantages, including:

- Data can be easily stored, shared, and aggregated among several organizations or projects within a single organization such as a government department. This allows for a larger picture of SVP progress to emerge from the data.
- On-line platforms allow for high-level algorithms, metrics and proxies to be embedded in the platform, enabling greater simplicity for the end user, while providing a high level of robustness to the data and data analysis.

The report concludes with a set of emerging good practices and principles to guide policy makers in the design and implementation of their SVP evaluation frameworks. These include:

**Clarity of objectives:** The ability to measure and evaluate SVP impacts depends on clear articulation of social value objectives.

**Accountability and transparency:** To ensure fairness and to mitigate risks, SVP evaluation processes must be transparent. To ensure accountability, contracting authorities should consider the use of independent auditors and evaluators.

**Standardization:** Evaluation frameworks must strive for greater consistency and comparability across potential contractors. Standardization of evaluation principles can contribute to reducing the burden of evaluation on commissioners, social enterprises and small businesses.

**Lifecycle approach:** Evaluation should be integrated across the commissioning lifecycle to promote on-going learning and to show how SVP aligns with government's strategic objectives.

**Flexibility:** Evaluation should be flexible to accommodate dimensions of social value that are more difficult to quantify. That said, flexibility must be balanced with transparency and clarity of objectives to ensure accountability and robustness.

# 1. SOCIAL VALUE PROCUREMENT MEASUREMENT AND EVALUATION

## INTRODUCTION

In a constrained fiscal environment, all levels of government in Australia, Canada, the United Kingdom and the United States are looking for ways to extract greater value from their procurement of goods and services.<sup>1</sup> Research finds that most public-sector commissioners and procurement officers agree with the benefits of social value procurement (SVP).<sup>2</sup> However, most contracting authorities also report significant challenges with the meaningful implementation of these policies.<sup>3</sup> Among the most commonly cited challenges is the lack of knowledge, resources and standards to measure and to evaluate social value across the commissioning lifecycle.<sup>4</sup> As one procurement professional explains, “social value can only be a meaningful aspect of the procurement and commissioning process if it is clearly defined and there is measurable evidence of the impact.”<sup>5</sup>

The following section of this report reviews the literature on measurement and evaluation for integrating social value in procurement processes.<sup>6</sup> The next section examines several SVP evaluation frameworks and toolkits developed by governments around the world and provides five case studies that explore these frameworks in more detail. These case studies are informed by a series of interviews with key informants. The report concludes with an examination of key trends and persistent challenges for SVP evaluation, lessons learned and principles and good practices.

## THE ROLE OF EVALUATION

The role of evaluation for SVP is subject to significant inquiry and debate in the academic literature. Conventional perspectives of evaluation draw inspiration from business and finance literature to frame evaluation as a strictly technical process of collecting evidence to improve decision-making.<sup>7</sup> The primary role of evaluation is to ensure cost-effectiveness for taxpayers. Robust evaluation can also mitigate risks such as legal challenges under international trade agreements. Other scholars challenge this strictly technical understanding of evaluation, arguing that social value is a social construction.<sup>8</sup> For example, Morgan (2015)

distinguishes between empirical assessments of the *impacts* of a procurement decision and normative assessments about the *value that is attributed to that impact*. Those in a position of power to choose how social value is measured and evaluated also have power to shape what is valuable, and by omission, what is valueless. In other words, “evaluation is not just an instrumental procedure for collecting evidence of what works, but also tools that actively promote certain values.”<sup>9</sup>

From this critical perspective, scholars identify at least three roles for SVP evaluation.

First, evaluation allows public contracting authorities to demonstrate financial accountability. Increasing pressure among public sector contracting authorities to demonstrate accountability under budgetary constraints has shaped their views for what counts as evidence.<sup>10</sup> There is a strong preference among public sector commissioners and procurement officers for evaluation frameworks that generate financial proxies for social value to demonstrate cost savings.<sup>11</sup> However, many experts caution against relying only on evaluation frameworks that reduce complex dimensions of social value into numerical values.<sup>12</sup> As Morgan suggests, “through the rendering of social outcomes as commensurable with monetary calculations, the commodification of social value is

placed within a market based framework that masks the underlying agenda of calculative rationality.”<sup>13</sup>

Second, evaluation can serve the interests of social enterprises. While public contracting authorities are often considered to be in a position of power to promote certain values through the choice of evaluation framework, some researchers suggest that social enterprises can also influence what gets prioritized in evaluation by using their discretion in deciding what to measure and how to exploit ambiguities in definitions of social value.<sup>14</sup> In this way, evaluation allows social organizations to articulate their competitive advantage<sup>15</sup> and to express their own views of social value. Evaluation can also be used by social enterprises to promote their own internal learning.<sup>16</sup>

Third, SVP evaluation can serve a broader purpose to set new standards and contracting norms for a more competitive and diverse procurement market.<sup>17</sup> While social sector organizations are often considered to be the strongest providers of social value, some experts emphasize:

“the aim should not be more social enterprise per se, but on changing the market place and the values of those active in markets so that enterprises that create more social value are more successful than others.”<sup>18</sup>

Moreover, several scholars and practitioners recommend that evaluation should extend across the supply chain to identify whether and how social enterprises are represented. In these ways, evaluation can play an instrumental role to demonstrate how broader strategic objectives of government are being met through their procurement policies.

## EMERGING TRENDS IN SVP EVALUATION

### WHO IS DOING EVALUATION?

The landscape of SVP evaluation is represented by a handful of innovators and leaders, followed by several governments that are experimenting with

pilots or that have adopted SVP policies but have relatively limited evaluation experience.<sup>19</sup>

In the UK, Scotland, Wales and several local governments are leading the way on SVP evaluation.<sup>20</sup> In 2011, Wales developed a measurement tool to improve data collection and consistency. The government now provides training to contracting authorities to implement the tool.<sup>21</sup> The Scottish Procurement Reform Act (Scotland, 2014) mandates public officials to evaluate and report progress on an annual basis. Several local UK councils have adopted social procurement policies, and in some cases, these policies precede the Social Value Act (2012).

In the US, the Small Business Administration is recognized as an international leader in this area. The agency has developed an annual scorecard to evaluate procurement goals by industry and across federal agencies.<sup>22</sup> At the local level, anchor institutions, in partnership with city councils, have made significant progress evaluating community wealth benefits of their procurement policies. The Cleveland Greater University Circle Initiative (GUCI) has evaluated its procurement goals for the past five years.<sup>23</sup> The Democracy Collaborative has developed a dashboard to assist anchor institutions to understand and to evaluate the impact of procurement on community welfare.<sup>24</sup>

Australia and Canada are relatively less experienced with evaluating SVP. However, there are signs of activity in each jurisdiction. In Australia, the States of Victoria and New South Wales have made the most progress. In 2017, the State of Victoria committed to developing a SVP framework. In Canada, the Federal Government adopted a Procurement Strategy for Aboriginal Business in 1996. Several provinces have also adopted SVP policies, plans or guidelines, including British Columbia, Manitoba, Ontario, Quebec and Nova Scotia. Toronto and Montreal have launched pilots and several other municipal governments have pilots. This review did not find examples or references to formal evaluations or frameworks in Canada, except for Nova Scotia’s *Sustainable Procurement Supplier Performance Evaluation Protocol*, forthcoming in 2017.

**Table 1: Social Value Procurement Evaluation**

Region	Level of Gov.	Overview			Resources
		Formal Policy?	Year	Evaluation	
<b>United Kingdom*</b>					
Dublin City	Local	Yes	2015		No evidence of formal evaluation
Ireland	National	Pilot	2014		No evidence of formal evaluation
Procurement Reform (Scotland) Act	National and local	Yes	2008 (2014)	Yes	<a href="#">Evaluation: Annual Reporting Requirements</a> <a href="#">Evaluation Report</a>
UK Public Services (Social Value) Act	National & local	Yes	2012	Yes	<a href="#">UK Cabinet Review</a>
Wales Community Benefits in Public Procurement	Local	No	Guidance (2010)	Yes	<a href="#">Community Benefits Measurement Tool</a>
<b>Canada</b>					
Canada Procurement Strategy for Aboriginal Business	Federal	Yes	1996		No evidence of formal evaluation
British Columbia Social Impact Purchasing Guidelines for Ministry of Social Dev.	Provincial	Guideline	2014	No	<a href="#">Guidelines</a> (Evaluation limited to tracking how often ministry is using SVP)
Manitoba (Housing & East Side Road Authority)	Provincial	Pilots	2010		SROI (see case study below)
Nova Scotia Sustainable Procurement	Provincial	Policy	2009 (2016)	Forthcoming 2017	<a href="#">Sustainable Procurement Manual</a>
Ontario (Metrolinx; Infrastructure for Jobs and Prosperity Act; Social Enterprise Purchasing Strategy, Aboriginal Business)	Provincial	Pilots	2014/2015		No evidence of formal evaluation
Quebec Social Economy Action Plan	Provincial	No	2013		No evidence of formal evaluation
Montreal L'économie sociale, j'achete!	Municipal	Pilot	2013 - 2015		No evidence of formal evaluation
Toronto, Ontario (Pan Am Games)	Municipal	Pilot	2013		No evidence of formal evaluation
City of Victoria, British Columbia	Municipal	Yes	2017	<a href="#">Yes - forthcoming</a>	"The City of Victoria will develop an appropriate performance measurement framework including outcome mapping processes and tools to collect relevant data." The plan also commits to annual reporting on SVP progress.
Vancouver 2010 Olympics	Municipal	Pilot	2010		No evidence of formal evaluation

United States*					
California (LA and San Francisco)	Local	CBAs			No evidence of evaluation
Cleveland Greater University Circle Initiative	Anchor Institutions and local	Yes	2005	Yes	<a href="#">5- Year Evaluation report</a>
US Small Business Act	Federal agencies	Yes	1953 (2006 - Scorecard)	Yes	<a href="#">SBA Scorecard</a> : Annual evaluation requirements
Australia					
Australian & New Zealand Framework for Sustainable Procurement	State, territories & common.	Principles	2007 2017 (SE strategy)	Yes	<a href="#">Minimum targets</a>
New South Wales Social Procurement Policy	State and local	Yes	2012	Yes	<a href="#">Guide</a>
Victoria Social Procurement	State and local	Guide	2010	Yes	<a href="#">Toolkit</a>

\* The UK and the US each have several local initiatives that are not included in this table. See appendix 1 for detail of these local initiatives. Source: Atkinson Foundation, 2016 and authors' own search of on-line sources.

## WHAT IS EVALUATED?

Researchers suggest that social value can be evaluated from several different perspectives, including the impacts of SVP policies on: individual end-beneficiaries; small and medium enterprises (SMEs) and social enterprises; the broader contractor market; and government's strategic objectives.<sup>25</sup>

Most evaluations focus on the individuals from priority groups, social enterprise and SMEs. In a few cases, evaluations have considered the impacts of SVP policies on a broader range of contractors. For example, a Scottish study finds evidence that some contractors (not just social enterprises) are recruiting community benefits coordinators, building community benefit terms and conditions into their sub-contracts, and are beginning to integrate community benefits across their businesses.<sup>26</sup> Similarly, the UK Cabinet review of the *Social Value Act* finds anecdotal evidence of positive impacts on larger private sector contractors. Few evaluations consider the alignment between SVP policies and government's broader strategic objectives.<sup>27</sup> A survey of Scottish commissioners finds that while over half of respondents attempt to identify and value outcomes that are relevant to government's strategic

objectives, "for 39% of respondents this only occurs 'sometimes' and in 7% of cases commissioners 'never' attempt to do so."<sup>28</sup>

A second important distinction experts often make in describing what is evaluated is the difference between outputs, outcomes and impacts. Outputs and outcomes refer to short-term indicators that are relatively easy to evaluate. Impacts refer to longer-term indicators of change and are more complex to evaluate.<sup>29</sup> Most evaluations focus on outputs and outcomes, such as the number of persons from the priority population that are employed or the number of social enterprises or local businesses that are awarded contracts. Among those governments that do attempt to evaluate the impacts of a contract awarded under social value criteria, the focus tends to be placed on economic impacts, such as the impacts on public finances and the impact of procurement from local businesses on local economies.<sup>30</sup> However, this is challenging in practice, evidenced by the fact that as of 2016, no council in the UK has published a formal evaluation of any savings resulting from their implementation of the Social Value Act.<sup>31</sup> Moreover, the impacts on social

objectives such as well-being and poverty alleviation are rarely evaluated, due largely to data limitations and resource constraints.<sup>32</sup>

Overall, most contracting authorities focus on evaluation of social value at the earlier stages of the

procurement process (pre-procurement and tendering).<sup>33</sup> Less progress has been made on evaluating contracts once they have been awarded - during the contract management stage - to ensure contractors are meeting their social value objectives.<sup>34</sup>

## HOW SOCIAL VALUE IS EVALUATED?

While contracting authorities are drawing lessons and inspiration from the impact investment measurement sector, frameworks from this sector do not directly map onto the social value procurement context.

Contracting authorities are often in the position to choose the evaluation methodology and consequently, to decide what is prioritized.<sup>35</sup> In general, the public sector has a stated preference for quantitative evaluation frameworks that work with financial proxies, such as cost-benefit analysis, social audit accounting and social return on investment (SROI) evaluations.<sup>36</sup> SROI evaluation is actively promoted by the UK Government.<sup>37</sup> However, researchers note that there is a gap between policy and practice.<sup>38</sup> Survey data suggest that while most public commissioners are familiar with SROI and are encouraged by elected officials to use this approach, they lack adequate skills and resources to effectively implement SROI.<sup>39</sup> Moreover, social enterprises often do not have the resources to conduct SROI evaluations. In one case where social enterprises were required by a funder to use SROI evaluations, only 30% of the enterprises could complete their reports.<sup>40</sup>

More recently, new approaches are being presented as either an alternative or complement to SROI evaluation. One such framework is the *Well-being Valuation* approach, which has been adopted by several UK government departments and agencies.<sup>41</sup>

This approach is regarded as a cost-effective alternative to SROI, as data required for analysis are in many cases already collected through national household surveys.<sup>42</sup> Another advantage of this approach is that the data are self-reported, which means that measures of values can capture meaningful information about the direct experiences of beneficiaries.<sup>43</sup> The Housing Association's Charitable Trust (HACT) has developed over 53 outcome indicators based on the *Well-being Valuation* approach.

To be sure, there are several other approaches to evaluating social value. The Centre for Local Economic Strategies has recently conducted evaluations for two local UK governments of their local procurement in areas of deprivation. One of the evaluations includes a gaps analysis to identify 'influenceable' spend, where local businesses could potentially deliver goods and services for the City Council and other anchor institutions. Both studies also evaluate the extent to which suppliers re-spend in the local economy and the impacts of local business on the local economy and in addressing social and environmental challenges, across indicators including employment, living standards, citizenship engagement and several others.<sup>44</sup>

Overall, there is a significant lack of standardization in the measurement and evaluation of social value.<sup>45</sup> For example, one study identifies over 130 different evaluation tools for social impact.<sup>46</sup> The Social Value Portal identifies 1150 metrics for social value.<sup>47</sup>

Some experts suggest that this fragmentation of evaluation methods and metrics is indicative of a healthy, bottom-up approach to designing evaluation

in ways that are suitable for local contexts and that can serve diverse objectives.<sup>48</sup> Others express frustration and concern with the lack of guidance on selecting appropriate methodologies and tools.<sup>49</sup>

What is clear from the literature is that there is no one evaluation approach that works best in all contexts. It is also possible to use a combination of evaluation methodologies and tools. For example, the Outcomes Star evaluation tool is used by some governments, such as Camden Council, alongside SROI to enhance analysis and to capture the progress made by service users.<sup>50</sup>

## TOOLKITS AND FRAMEWORKS FOR EVALUATION

Consistent with the diversity of evaluation methodologies, there is a diverse range of toolkits and frameworks for evaluation. Most are developed by local and regional governments in the UK, sometimes in partnership with the social sector.<sup>51</sup> The toolkits and frameworks vary in their level of detail and guidance; some focus on high-level principles for evaluation of social value, alongside other considerations such as legal and governance advice, while others focus exclusively on evaluation and provide detailed guidance, templates, calculators and accompanying resources such as training programs.<sup>52</sup> Appendix 1 of this report provides findings of an on-line search for SVP evaluation frameworks.

Summarizing key trends and themes in the evaluation toolkits and frameworks is challenging, as each serves a unique set of objectives. Moreover, many of the frameworks have been designed for specific sectors (e.g., housing) and for different levels of government. There are at least three key trends and themes that are consistent across the toolkits and frameworks.

**Co-developing frameworks:** Several local governments in the UK have partnered with each other to benefit from pooling resources and to work toward standardization. For example, the counties of Surrey and East Sussex worked with the Social Value Portal to co-develop a social value measurement framework for procurement called *Themes, Outcomes and Metrics (TOM Framework)*. The Framework builds on both counties’ strategic procurement priorities, while also drawing on experiences of other councils across the UK. Another example of a collaborative evaluation framework is the Housing Association Charitable Trust (HACT) Framework. This Framework is seeking to establish standards for evaluation of social value for the housing sector. Even where there is no formal collaboration, governments are drawing inspiration from each other, evidenced by overlaps in key concepts and guidance across the toolkits. For example, Camden’s Sustainable Commissioning Model is frequently referenced in other toolkits (see Figure 1).

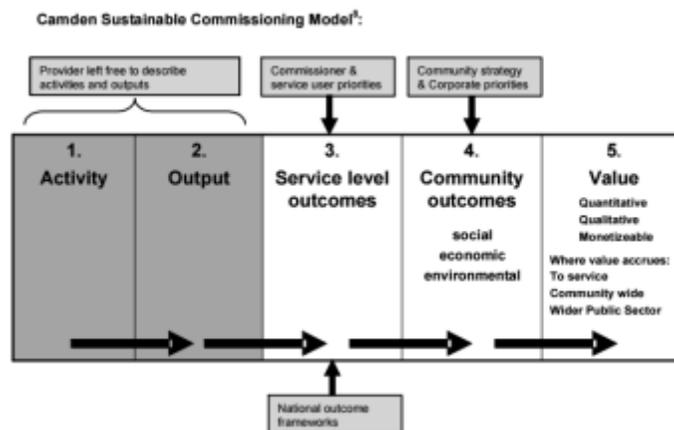


Figure 1: Camden Sustainable Commissioning Model

**Lifecycle evaluation:** Most toolkits emphasize the importance of evaluation across all stages of procurement, including pre-procurement, tendering, contract monitoring and on-going learning to improve the commissioning lifecycle. It is also clear from reviewing the toolkits that most governments do not have experience with evaluation of social value in later stages of the procurement process. For example, more detailed guidance for evaluation is provided in the earlier stages of procurement, while guidance in the monitoring and performance management stage is described using vague and normative language.<sup>53</sup> The lifecycle evaluation approach is expressed as an aspiration rather than informed by first-hand experience.

**Emphasize tangible outcomes:** Most toolkits and frameworks are intended to be used for evaluating tangible outcomes that have financial proxies and where outcomes are related to the achievement of economic goals, rather than social goals.<sup>54</sup> For example, Oldham county’s framework emphasizes that ‘evaluation should focus on tangible outcomes.’ Similarly, the *TOM Framework* claims that its measurement framework “removes subjectivity from decision making,” (see Figure 2) and the Croydon toolkit emphasizes that “to ensure that social value objectives are delivered, it must be possible to measure and quantify the outcome they pursue.

THEME	OUTCOME	MEASURE	VALUE
The principle issue being considered.	A series of social outcomes that support the theme	A measure against which progress may be reported	£ value to society of the outcome being delivered
E.g. Social Issues	E.g. More local jobs	E.g. No. of jobs for NEETS <sup>3</sup>	E.g. £14,438/ annum <sup>4</sup>

Table: Example TOM Measurement Framework with Proxies

Figure 2: TOM Evaluation Framework

That said, a few frameworks aim to balance quantitative outcomes with intangible and hard to measure outcomes. For example, Wales’ Community Benefits Measurement Tool is designed to “capture the full range of community benefits outcomes, not just those aspects that can be easily monetized and to provide a consistent way of measuring Community Benefit objectives.”

The next section of this report provides a series of in-depth case studies of SVP evaluation frameworks

across five jurisdictions. These include the UK’s Housing Association Charitable Trust (HACT) SVP evaluation toolkit; the Scottish Government’s Community Benefits evaluation framework; the State of Victoria’s Toolkit for Sustainable Procurement (Australia); Cleveland’s Greater University Circle Initiative annual evaluation and Anchor Institution Dashboard; and the Manitoba Government’s Housing Department SVP evaluation framework. These case studies are drawn from both publically available literature and a series of in-depth private interviews (see Appendix 2).

## 2. FIVE CASE STUDIES IN SOCIAL VALUE PROCUREMENT EVALUATION FRAMEWORKS

### CASE STUDY # 1: HOUSING ASSOCIATION CHARITABLE TRUST (HACT), UNITED KINGDOM

#### OVERVIEW

**Policy Context:** The UK Social Value Act (2012) requires local governments to consider the economic, environmental and social well-being of their relevant area during the pre-procurement stage. The Homes and Communities Agency’s regulatory framework for Social Housing in England (2012) requires housing associations to “maintain a robust assessment of the performance of all their assets and resources (including financial, social and environmental returns).” Further, the regulations state that a housing provider must “have a robust approach to making decisions on the use of resources to deliver the provider’s objectives, including an understanding of the tradeoffs and opportunity costs of its decisions.”

**About HACT:** HACT is a charitable non-profit organization that represents housing providers in the UK. HACT receives financial support from corporate and nonprofit donors working in the housing sector and provides a wide range of support to housing agencies. HACT also operates a fee-for-service consultancy and training service to support UK housing providers to incorporate social value and assessing social value of potential contracts.

#### FRAMEWORK / TOOLKIT

[The HACT Social Value Toolkit](#) responds to three main challenges with current practice: clarity, consistency and transparency of process for evaluating bids. The toolkit was developed in collaboration with legal and housing professionals, and provides guidance for commissioners, procurement officers and contractors, including social enterprise and other service providers. The toolkit covers a range of issues related to procurement, including legal barriers, resource considerations and capacity building. It also features a step-by-step guide for commissioners through four stages of procurement. It contains detailed information on impact measurement at the pre-contracting, contracting and delivery stages.

##### **Evaluation across the Commissioning Cycle:**

The toolkit provides practical advice, resources and principles for social value evaluation across all four stages of the procurement lifecycle. For each of the stages provides description of the stage and key activities, tips, examples and accompanying resources. The recommendations for measurement

and evaluation across the four stages are summarized below.

**Stage 1: Scoping:** In the scoping stage, contract commissioners should undertake a community engagement review to determine the needs to be addressed through the contract. Once determined, HACT provides a Social Value Bank (SVB) that details outcomes and their respective financial proxies, in HACT’s Value Calculator, available at: <http://www.hact.org.uk/value-calculator>.

“Having developed a definition of social value by assessing needs and priorities (see Step 3 in Section III), Housing Providers should use a transparent, independent, robust and consistent approach to defining their social value outcomes. HACT’s Social Value Bank can be used for this purpose. When considering what social value it wants to generate through procurement, a Housing Provider should consult this list of outcomes and select those that primarily fit with its social value priorities for this

procurement.” (HACT Social Value Procurement Tool Bank)

**Stage 2: Procurement:** In the procurement stage, commissioners should establish evaluation criteria (including weighting), output measures and KPIs. It is recommended that KPIs are linked to contract terms and deliverables and reflect the contracting authority’s priorities. Outputs must be specified and quantifiable. The toolkit also recommends that outputs include consideration for end-user satisfaction, and that the targets set are “challenging but realistic and founded on baseline data.” Contracting authorities should also include robust clauses to allow for monitoring and review of the contract performance against KPIs. Evaluation criteria should be drafted in a way that allow contractors to provide proof of social value plans. Service providers should use the value calculator to understand how social value outcomes are achieved and what outcomes are required and framing their responses. Moreover, the toolkit emphasizes that the response must be evidence-based.

**Stage 3: Mobilization:** Once a contractor is selected using the criteria established in Stage 2, the next step is to formalize the contractor’s offer. The contract should include the minimum social value requirement, a method statement and a social value plan that details how social value will be delivered. In this stage, contracting authorities should also finalize the KPIs that explain what is measured and how, and the levels of expected performance. The contract should also define responsibility for data collection and consider how to measure social value across the supply chain and collect feedback from stakeholders. It is recommended that contracting authorities establish a process to measure outputs.

**Stage 4: Contract delivery:** The toolkit considers incentives for meeting or exceeding contract obligations and recourse in the event of failure to meet social value contractual obligations. It is suggested that successful outcomes could be rewarded, such as by extending or awarding new contracts to the contractor. It is also recommended

that contracting authorities undertake an annual review of performance targets and review KPIs and targets and if needed, amend these for the next year.

### Evaluation Methodology

The toolkit recommends that procurement officers use the Well-being Valuation Approach (WVA).<sup>55</sup> The approach evaluates the success of a project or intervention by its impact on people’s well-being and has been pioneered by HACT. The approach relies on existing data collected in national household surveys to estimate the average effect of a project on well-being indicators, such as safety or social inclusion. WVA then uses information from the survey to determine what amount of money would induce the same per cent increase in well-being as the social intervention to determine a well-being value for that project. Outcomes and financial valuations can be found in HACT’s [Social Value Bank](#).

The WVA represents a shift away from a value based method to one of relative value. It seeks a deeper understanding of what has occurred and uses before and after surveys, Random Control Trials, big data and machine learning, and data science. This qualitative approach grounds numbers into actionable insights and is often co-produced with end-users through a variety of mixed methods.

While WVA is often positioned as an alternative to SROI, it can also be used within an SROI evaluation. The key advantage of the WVA is consistency, since it compares across a wide range of activities and well-being indicators. The WVA is selected by HACT because it is ‘the most methodologically consistent and robust’, and because survey data is in many cases already collected. HACT has moved away from SROI, as often there is no baseline and too much subjectivity in this approach. Although the WVA uses sophisticated statistical theory to derive values, once calculated they can be applied using simple techniques. This approach is compliant with the UK Treasury’s [Green Book](#).

## Practical Guidance/Tools

The toolkit provides supporting tools, templates and resources, including:

- **KPI Template** (Appendix 8)
- **Tender evaluation criteria** template (Appendix 10)
- **Measuring Social Value** (Tool 22)
- **[Guide to using the Well-being Valuation Approach](#)**: A report that explains the advantages of the evaluation approach and provides detailed guidance on its implementation, with examples.
- **[HACT Value Calculator](#)**: An Excel spreadsheet with pre-populated cells to allow users to calculate well-being values using their own data and to seek feedback from residents and communities.
- **[Social Value Bank](#)**: supports assessment of social impact, evidence of value for money and assists contracting authorities to compare impact of different programs. The values are designed so that they can be used with SROI analysis. HACT also established a Social Value Bank User Community' that promotes housing providers to share best practice, compare approaches, provide input into future developments, and offers priority access to new values.
- **Training and Support**: Customized training sessions on using the social value calculator and well-being valuation approach.

## User Approaches

The toolkit uses a combination of on-line guides and resource manuals with an Excel-based values calculator. The calculator is pre-populated with values derived from large datasets combined with regression analysis that allows the end-user to plug in values and generate a robust set of data and financial proxies. These resources are publically available. Available free data is seen as a way to engage key stakeholders. HACT also offers a subscription software web-based tool, "Value Insight". There is also a suite of subscription-based reporting and data management tools available. Additionally, regional peer-support groups have been established that look at what works and what does not work. There is an annual HACT Social Value Conference.

## Who is using the toolkit?

The following national and local governments and nonprofit housing trusts have adopted the HACT Framework: the UK Cabinet Office, City South Manchester, Catalyst, Circle, Fusion 21, Genesis, Liverpool Mutual Homes, MHS Homes, Places for People and Viridian. HACT reports that service providers are also starting to build the values from the SVB into their procurement processes and to inform decisions and to demonstrate their social impacts.

## KEY CHALLENGES

As a starting point, HACT initially surveyed 34 UK housing providers and found 33 different social value measurement tools in use. While there was some initial resistance to developing this new toolkit, there was also excitement among potential users, as it addressed problems they had encountered in social value measurement. Public contracting authorities wanted to use this approach in their supply chain to ensure they were getting the results they asked for and not just higher prices for goods and services.

Contractors themselves were unsure what social impacts were being asked for by the housing providers. The development of the toolkit therefore required significant consultation with both housing providers and contractors and 'lots of listening'.

Evaluation challenges include agencies asking for social value impacts that can't be measured, or impacts that are not embedded in contracts, and where beneficiaries are not identified. It is problematic for contractors if there is not a clear idea

of what is to be achieved and who the beneficiaries are. One of the most challenging aspects of this form of evaluation is the need for both pre- and post-data collection.

Another challenge identified is disentangling the cost of delivery of the social impact from the price to the client. Large contractors may be able to absorb these

costs in a way that small contractors cannot compete against. A final challenge for housing authorities in their overall SVP programs is in understanding the regulatory regimes that underlie public procurement and with which SVP must comply. The toolkit addresses this through a section that reviews the regulatory frame in which public procurement exists.

## KEY LESSONS

It is fundamental that the evaluation tools are simple and proportionate to the task. There should be a small number of focused outcomes that are built from the ground up.

The toolkit is seen as an enabler that embeds SVP common practice across housing providers and contractors. It integrates these practices to ensure meaningful outcomes for communities and unlocks innovation and creativity in generating these results with both contractor and contract commissioner. The guidance provided in the toolkit holds contractors to account and provides an audit trail that demonstrates the impact generated. This is important in demonstrating value for money.

HACT learned that there is a need to involve a range of contractors (such as professional service providers) right from the start of the process of developing the evaluation framework.

An important component in procurement is the ability to compare between contracts 'like to like'. Therefore, reporting needs to be both quantitative (i.e. monetized) as well as qualitative (through use of narratives). But interviewees also cautioned not to reinvent the wheel. It is important to look at what is already in use in current procurement practices when developing an SVP evaluation framework.

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### Interviews

Mary-Kathryn Rallings Adams, Deputy Chief Executive, HACT, February 10<sup>th</sup> 2017, telephone (1 hour)

David King, Social Value Advisor, HACT, February 14<sup>th</sup> 2017, telephone (1 hour)

### OVERVIEW

**Policy Context:** In 2008, the Scottish Government introduced a Community Benefits Requirement for public procurement. In 2014, the Government formalized the requirement for Scottish commissioners to consider community benefits in the *Procurement Reform (Scotland) Act 2014*. The Act establishes the expectation that Community Benefit Requirements will be used in all cases where there is a legal basis. The legislation also introduces a sustainable procurement duty that requires public contracting authorities to consider how the procurement process can facilitate the involvement of small and medium enterprise (SMEs), third-sector bodies and supported businesses with the aim of making it easier for them to tender for public contracts. Under the Act, the concept of value for money is extended beyond cost and quality to include ‘the best balance of cost, quality and sustainability.’ Scotland is considered a leader in this area. The Government requires public contracting authorities to produce an annual procurement report detailing its performance and achievements in delivering its strategy and specific community benefits. Specifically, the Act (s.15(5bi) requires contracting authorities to include a policy statement in their procurement strategy describing the use of community benefit requirement and explaining how they will measure progress<sup>56</sup>

### FRAMEWORK / TOOLKIT

In 2012, the Scottish Government adopted a program to provide guidance and training for public contracting authorities to support the implementation of community benefit requirement. This included training for public contracting authorities on measuring the social return on investment (SROI) of procurement. A survey conducted in 2012 found that despite the Scottish Government’s efforts to promote SROI, less than half of public commissioner respondents viewed SROI as ‘fairly helpful’ and most find it difficult to operationalize.<sup>57</sup>

In 2013, the Scottish Government published [guidance](#) for commissioners that addresses measuring and reporting on procurement community benefits. With the introduction of the *Procurement Reform (Scotland) Act 2014* there is renewed interest in supporting public commissioners to measure and to evaluate their progress to meet annual reporting requirements. In 2015, further [guidance](#) was issued. This guidance recommends a two-part test be applied across all stages of the procurement process: “First,

determine whether measurement is appropriate and relevant to the objective or outcome being sought, and second, whether the measurement goes beyond what is necessary to achieve outcomes (to avoid unnecessary barriers to providers). Moreover, the guidance suggests that contracting authorities consider the following in their evaluation and reporting:

- “Information on what it has learned from its consultation and engagement with stakeholders and those affected by its procurements, and what it is doing to respond to these views;
- Information on what it is doing to improve its performance and impact, drawing on relevant information – for example spend analysis – and what improvements have been achieved since its last report; and
- How it is working with other bodies – for example procurement centres of expertise – to maximize effectiveness and efficiency.”

In November of 2014, a comprehensive report on the Scottish Government’s [Procurement Reform Program](#)

[2010-2014](#) was issued by the Public Procurement Reform Board. Based on data gathered in four key government sectors, this report provides a comprehensive evaluation of the Scottish Public Procurement Reform Program. Most impacts are monetized to demonstrate value for money. The report includes detailed analysis of the positive impact of Community Benefit Requirements.

In 2015, the University of Glasgow undertook a comprehensive evaluation of the Procurement Reform (Scotland) Act 2014, drawing on in-depth

review of 24 contracts with Community Benefits Requirement that aim to provide employment and training or apprenticeship opportunities for disadvantaged populations, and interviews with contracting authorities, contractors and sub-contractors. The study finds overall that the 'social' targets have been exceeded. There are, however, several limitations in what could be evaluated, including additionality and sustainability of the social impacts of community benefits requirements (see Figure 3).

“The focus was on CB requirements that sought to ensure that individuals from *priority groups* were recruited, taken on as apprentices, offered work placements and received training. In addition, supply chain opportunities for SMEs and social enterprises were also examined. For each contract, we requested data on: The CB target(s) set.

- Performance against the target(s).
- The extent of *additionality*, where outcomes occurred *as a result* of the CB requirement.

For example, in relation to employment, we gathered information on how many individuals from priority groups were recruited as a result of the CB requirement being in place.

- The *sustainability* of the outcomes – for example, identifying how many of the individuals from priority groups were still in employment at the time of the interview. Half (12) of the contracts were ongoing at the time of the interview. This could exert an upward bias on the estimates of sustainability, with individuals still employed to work on the original contract.

A significant research constraint was the lack of monitoring data. Reasons for this included:

- The data had not been collected by the contractor.
- The contractor’s project manager had moved jobs and this had led to difficulties in accessing the required data.
- The contract was still in progress and data had not yet been collected. “

Source: Sutherland et al, 2014

Figure 3 Scottish framework for evaluation

Recognizing these limitations, the researchers provided a set of recommendations to the Scottish Government that include a framework for monitoring and evaluating contract Community Benefit Requirements. Four different perspectives are considered in the framework: individuals, social enterprise, broader community of contractors and national policy objectives and strategy.

Monitoring information and outcomes information relate to the indicators that should be captured. These will generate a significant amount of data that can help inform (and increase) the future use of Community Benefit Requirements by procuring organizations across Scotland.

The framework also recommends that reporting arrangements are agreed to in advance to ensure the community benefits data collected are used and

acted upon. The framework also suggests indicators that could be used across public sector organizations that would be reported on an annual basis to provide an aggregated view of progress toward national goals.

**Indicators include:** key contract information; community benefit requirement indicators (to measure different types of training and employment); short-term sustainability indicators (focus on specific job opportunities – and demonstrate employment retention); and additionality indicators, which would be used to capture whether job opportunities, etc. for priority groups would have occurred in absence of the Community Benefit Requirements. The framework also identifies a series of longer-term indicators. It is suggested that this data could either be collected by the provider or by the procuring organization and that public investment in resources for this data collection is needed in both cases.

Initially the Scottish Government drew on the UNEP-Marrakech Sustainable Procurement Process (SPP) for their framework. Over time these goals were more localized and the Community Benefit Requirement was aligned with four of the sixteen national outcomes adopted by the Scottish Government. The Marrakech SPP used an Excel-based method that the Scottish Government later adapted to its goals with KPIs. They then asked contractors to indicate how they contributed to achieving these goals. There are two Excel spreadsheets for contractors to use: a sustainability test and a prioritization of effort. In addition, contractors are supplied with guidance for each stage of procurement, mentoring support and case studies. Mentoring support has proven to be very helpful, particularly in construction services where much of the Community Benefit Requirement is aimed. Templates are under development for the annual reporting now required by contractors.

#### **Framework Users**

The framework produced by the University of Glasgow provided recommendation to the Scottish Government. While the framework has not been adopted in its totality, it is acknowledged in current

Scottish Government Guidance ([Appendix A.1 and A.2](#)) on monitoring and evaluating community benefits. This guidance provides the link between community benefit requirements and national outcomes and provides a table of information that should be reported to gain an understanding of how community benefit requirements are contributing to local and national outcomes.

#### **Practical Guidance/Tools**

Scotland draws on several ways to encourage integration of community benefits in contracting, monitoring and evaluation. A key approach has been to engage stakeholders in a 'champions network'.

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#### **KEY CHALLENGES**

The contract commissioner must know “what difference they want to make” and these should be linked to strategic priorities. This usually means that objectives and outcomes are set at the policy level, before moving to actual procurement. It is important to understand who is benefiting from the Community Benefit Requirements, not just the number of individuals directly affected (i.e., jobs, apprenticeships etc.).

As a result, there is a need to engage finance officers and other policy officials so that Community Benefit Requirements are hardwired into the contract through a robust framework that leads to inclusive growth. Contracts must detail the desired outcomes and be explained clearly to contractors. These outcomes must then be specified in the contract with demonstrable deliverables. Contractors are willing to participate but they must be given clear direction as to what is expected and what needs to be measured. Once embedded in the contract, there can be incentives or penalties used to ensure Community Benefit Requirement benefits. It cannot be left to the contractor to determine the desired community benefits. This is not their area of expertise and it should be left to policy makers to align their goals with SVP outcomes and convey these clearly to contractors. Even with this direction, it remains difficult to evaluate long-term impacts of social

value/community benefits requirements, and to evaluate attribution (due largely to data limitations).

The easiest areas to use in the framework are the 'how many questions' (contracts, amounts, employees, and apprenticeships). The harder questions for contractors are the ones that establish additionally that resulted from the contract.

The framework is challenging to use for those with multiple contractors in their supply chain. However, in general, large contractors have the scale and resources to hire specialists.

Initially, longer-term metrics (2-years) were included in the framework, but it was suggested that for employment-based monitoring that 26 weeks was more feasible.

#### KEY LESSONS

A sound SVP evaluation framework must be co-produced by stakeholders. Additionally, it should be built-for-purpose and as simple as possible for end users. Value for money continues to be a significant driver.

In most cases, Community Benefit Requirement has been easiest to establish in large infrastructure programs where resources and expertise could be used at scale. Later, these agreements transitioned to smaller enterprises.

A framework should be simple and straightforward, have appropriate indicators (not a wish list), meet strategic objectives, have robust proxies for value, and be holistic, encompassing both economic and environmental impacts.

Clarity of purpose is key. This clarity must then be communicated to contractors with easily understood KPIs for measurement. When evaluating bids, emphasis must be placed on how the contractors will achieve the objectives, not just on the numbers (i.e., how many). These objectives need to be scored and weighted to ensure that contractors know how to achieve the stated outcomes.

It would be useful to link the community benefit data found in annual reports with other demographic information on beneficiaries to more fully understand outcomes. Sutherland et al. (2015) recommend that data should be collated by the Scottish Government to form a 'national picture' of the use and impact of Community Benefit Requirements over time.

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### **Interviews**

Jonathan Coburn, Director, Social Value Lab, February 8<sup>th</sup> 2017, in person (2 hours), Ottawa

Alex McTier, Research Associate, University of Glasgow Training and Employment Research Unit, February 15<sup>th</sup> 2017, telephone (1 hour)

Victoria Sutherland, Research Fellow, University of Glasgow Training and Employment Research Unit, February 15<sup>th</sup> 2017, telephone (1 hour)

Josephine Mitchell, Scottish Government, March 2<sup>nd</sup> 2017, telephone (1 hour)

### OVERVIEW

**Policy Context:** The Australian and New Zealand Government Framework for Sustainable Procurement (2007) provides a set of national principles to help state, territorial and commonwealth jurisdictions in Australia and New Zealand integrate the principles of sustainability into the procurement of goods, services and construction. Sustainable procurement considers products and suppliers, including issues such as resource extraction and consumption, manufacturing and production, transport and logistics, product and asset design, use and maintenance and recycling and disposal options, environmental impacts, social responsible practices and value for money over life of goods and services. The Framework aims to provide a common understanding of procurement in the region and the benefits of incorporating sustainability in procurement processes.

In 2010, the State of Victoria's Department of Planning and Community Development issued a Social Procurement Guide for Local Governments. The Guide recommends that local contracting authorities establish monitoring and reporting systems against sustainable procurement targets to demonstrate progress and consider integrating sustainable procurement reporting into annual performance reports.

In 2017, the Victoria State Government launched a [social enterprise strategy](#) to "improve and expand on the State's existing support for the sector." The strategy aims to increase coordination across government to better support social enterprises. The strategy focuses on three action areas: Increasing impact and innovation; building capacity and skills and improving market access. As part of its social enterprise strategy, the State of Victoria has committed to developing a social procurement framework to encourage social enterprises to supply goods and services to government.

### FRAMEWORK / TOOLKIT

The State of Victoria's Planning Department developed a [toolkit](#) for local governments sustainable procurement. The toolkit provides practical advice on a range of issues related to procurement. Guidance specific to evaluation includes: designing evaluation for selection criteria, developing an evaluation plan, assembling an evaluation team and contract monitoring and reporting.

The toolkit includes a dedicated section on quantifying the benefits of social procurement. The toolkit emphasizes cost-benefit analysis, as quantification of benefit is the primary way to create support for social value procurement in the context of increasing pressure on public commissioners to

demonstrate fiscal accountability. That said, the toolkit also recognizes that social benefit outcomes are often qualitative.

The toolkit also provides guidance on the broader commissioning process, including developing social value tender evaluation criteria (e.g., selection criteria must be specific and objectively quantifiable and transparent) and principles for designing KPIs. The toolkit emphasizes that KPIs must be tailored to the outcomes that are sought.

The toolkit also includes information on contract monitoring and reporting. It provides a rationale and a high-level review of the monitoring and reporting

impediments, including: lack of commitment to social procurement; lack of knowledge and understanding of monitoring; a lack of guidelines and resistance to data collection; and a lack communication across government departments. The toolkit concludes with consideration for internal and external reporting.

### **Evaluation of social procurement:**

The toolkit recommends that contracting authorities develop an evaluation plan for all contracts. The evaluation plan should include the following: the purpose of the procurement; a risk analysis; details of the governance structure; details of the evaluation team members, their roles and responsibilities; potential conflict of interest; details of any other members assisting the team, their roles and responsibilities; phases of the evaluation process; the evaluation criteria, weightings and how they will be scored; respondent interviews, site visits and referee check procedures; probity procedures; the commercial rules; the required resources required for the evaluation; a communications plan; and administration of the evaluation process.

For contracts that include social value considerations, the toolkit recommends that contracting authorities provide additional guidance in the evaluation plan, including “discussion of the purpose of the social procurement requirement(s), the intended social benefit outcomes, and the measurement of the benefits (if the benefits are part of a selection criterion).”

In consultations with the social enterprise sector for the State of Victoria’s new social enterprise strategy (2017), it was suggested that social enterprises need more support to compete for public procurement opportunities.

It is anticipated that as part of the State of Victoria’s new Social Enterprise Strategy (2017), the government will develop a ‘whole of government’ social procurement framework to leverage public money to achieve social outcomes. The framework

will include consistent purchasing guidance for all State government agencies and departments on how to make tender and procurement opportunities more accessible to social enterprises. The State will also develop a monitoring and evaluation process for its overall social enterprise strategy. The framework proposes three impact measures to determine success of its social enterprise strategy: “labour market participation amongst disadvantaged groups; net increase in jobs in the sector; and the number of new social enterprises and overall sustainability rates over time.” Once it is in place, the evaluation framework will be re-calibrated if needed, and it will be used to inform future policy developments in this area.

### **Evaluation Methodology**

The State of Victoria’s toolkit identifies a range of evaluation methodologies that could be applied to social procurement, including the Global Reporting Initiative, Local Multiplier, social audit accounting and Social Return on Investment. The toolkit refrains from promoting one specific methodology over the others. That said, it places greatest emphasis on cost/ benefit analysis as it suggests this approach most closely aligns with ‘value for money’ and essential component of any procurement program.

“A critical component of any business case is quantifying the benefits and the costs. A cost-benefit case needs to be undertaken to ensure the:

- best value-for-money
- achievement of the most effective policy outcomes
- realistic assessment of risk is carried out.” (SVP Toolkit)

### **Practical Guidance/Tools**

The toolkit is detailed, and it provides case studies, examples, templates, forms and substantial guidance for social value procurement program development, implementation, monitoring and evaluation.

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## KEY CHALLENGES

“Perceived impediments to monitoring and reporting of social procurement outcomes may include:

- a lack of critical commitment to social procurement;
- a lack of knowledge and understanding of general reporting and monitoring processes and specifically social procurement reporting and monitoring;
- the lack of reporting guidelines to assist local government in undertaking social procurement reporting;
- resistance to data collection; and,
- difficulties with communication across the relevant unit ‘silos’. “

In a review of sustainable procurement practices, the Department of Planning found that social indicators are least successfully measured because “most providers do not have a consistent approach for achieving or measuring social benefit.”

Evaluation is often used as a marketing tool by many organizations. Some potential barriers to SVP evaluation include a lack of commitment to social procurement, lack of knowledge and understanding of monitoring, lack of guidelines and resistance to data collection.

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## KEY LESSONS

“The lessons learned from training and employment suggest that social procurement projects should ideally include the following:

- Proposed outcomes are confirmed and approved during the development of the project’s specifications.
- Support is available for providers in the delivery of social benefits, particularly where providers may not be familiar with concepts such as “social impact” or “social enterprise”.
- Ensuring that social benefits are an explicit component of the contractual obligations rather than voluntary or aspirational goals.
- The mechanism for monitoring and reporting social procurement outcomes should be included in the procurement plan.
- An understanding that social procurement often requires most effort the first time it is undertaken. “

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## CASE STUDY # 4: ANCHOR INSTITUTIONS AND THE CLEVELAND GREATER UNIVERSITY CIRCLE INITIATIVE (UNITED STATES)

### OVERVIEW

**Policy Context:** Anchor institutions in the US have incorporated community wealth benefits into their procurement policies and hiring practices. Examples include, University of Pennsylvania, Harvard University (Allston Campus), Henry Ford Hospital and the Mayo Clinic. Most of these anchor institutions focus on facilities expansions in economically depressed areas, local sourcing of food and other service procurement that stimulate local growth.

The Great University Circle Initiative (GUCI) is an example of a “multi-anchor economic development model that networks neighboring anchor institutions with community organizations and other local actors.” The purpose of GUCI is to facilitate the efficient mobilization of anchor institution hiring and purchasing decisions to benefit the local population and economy to address the “invisible divide” between the wealth of the institutions in University Circle and the poverty of the surrounding neighborhoods. The initiative was launched in 2005, as a collaboration between the Cleveland Foundation and three anchor institutions: University Hospitals, Case Western University and the Cleveland Clinic.

### FRAMEWORK / TOOLKIT

Anchor institutions are place-based institutions with considerable purchasing power in their communities. Michael Porter of the Harvard Business School provides much of the underlying theory on the role of anchor institutions in facilitating resilient communities. These initiatives are primarily efforts by established medical and educational anchor institutions who are re-inventing their identity as leaders for their local communities. Some examples are: University of Pennsylvania (Philadelphia), Harvard University: Allston Campus (Boston), Henry Ford Hospital (Detroit), and the Mayo Clinic (Rochester, Minnesota).

The US-based Democracy Collaborative developed a [‘Dashboard’](#) (2013) to assist anchor institutions to measure their community impacts. The researchers drew on over 100 interviews with anchor institution officials in the development of the dashboard. The study found general agreement on 12 key indicators

for measuring progress. Additionally, it was agreed that measures should capture conditions within the community as well as measures that assess institutional effort.

The Dashboard contains four areas of broad focus for anchor institutions to track their outcomes: economic development, community building, education and environment. Within these four buckets are 12 key outcomes. Six are economic outcomes, including equitable local and minority hiring, affordable housing and sound community investment (see figure 4).

Two outcomes address community building: stable and effective local partners, and financially secure households. One outcome addresses education and three address health, safety and environment (see Figure 4). Each outcome has a set of indicators that should be tracked by the anchor institutions. Finally, the Dashboard includes the potential data source for

each indicator. The Dashboard has now been further refined through a two of on-line [toolkits](#) aimed at hospital social value purchasing programs. These tool kits include several evaluation approaches for hospital administrators.

At the time of writing this report, six universities in the US are using the Dashboard. Each university uses it in their own way and finds it useful in developing their own programs. There is an on-line platform that allows each university to upload its data from the various indicators they are using. This allows the data

to be aggregated and evaluated across the participating institutions. The Dashboard is not overly prescriptive. The Democracy Collaborative is working with an academic to evaluate the impact of these programs using the data collected. This report is expected to be released in 2017. Additionally, a five-year evaluation of the GUCI (detailed below) has been undertaken. In most cases the indicators are not monetized, though there is a recognized need for a deeper understanding of 'return on investment' from social procurement, especially when increased initial costs are involved.

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## KEY CHALLENGES

The main findings from the Dashboard report suggest that measuring community impact is challenging. There is a lack of consensus over the definitions of community, which makes it difficult to identify the impact of an intervention on a community. These approaches can be difficult for institutions because various social targets (in this case buying local) are not part of their procurement process.

In the past, a variety of SVP programs led to 'gentrification' in targeted communities, pushing local residents out. What was needed was a clear base line data and indicators against which to measure the results to ensure community objectives were being achieved.

Another challenge is the multiple actors and multiple objectives identified in anchor institutions' policies. This makes isolating impact difficult. But it is critical to dialogue and work in partnership with communities. There are also practical challenges with data collection, including lack of long-term data.

The Dashboard report recommends that anchor institutions focus on measures that are relevant to low-income communities and develop metrics that correspond to the outcomes that matter most to communities, while balancing metrics that are not overly burdensome to measure. Indicators should be developed in areas where there is institutional capacity and interest. Examples of practical indicators include: the percentage of procurement dollars targeted toward specific neighborhoods and using financial data already collected by the anchor institution. A policy indicator, such as the existence of a policy that requires obtaining bids from local or minority business for procurements above a certain dollar figure, is another example.

There is a strong desire among anchor institutions to develop a tool for evaluation that provides consistency and that facilitates transparency, accountability and learning across institutions.

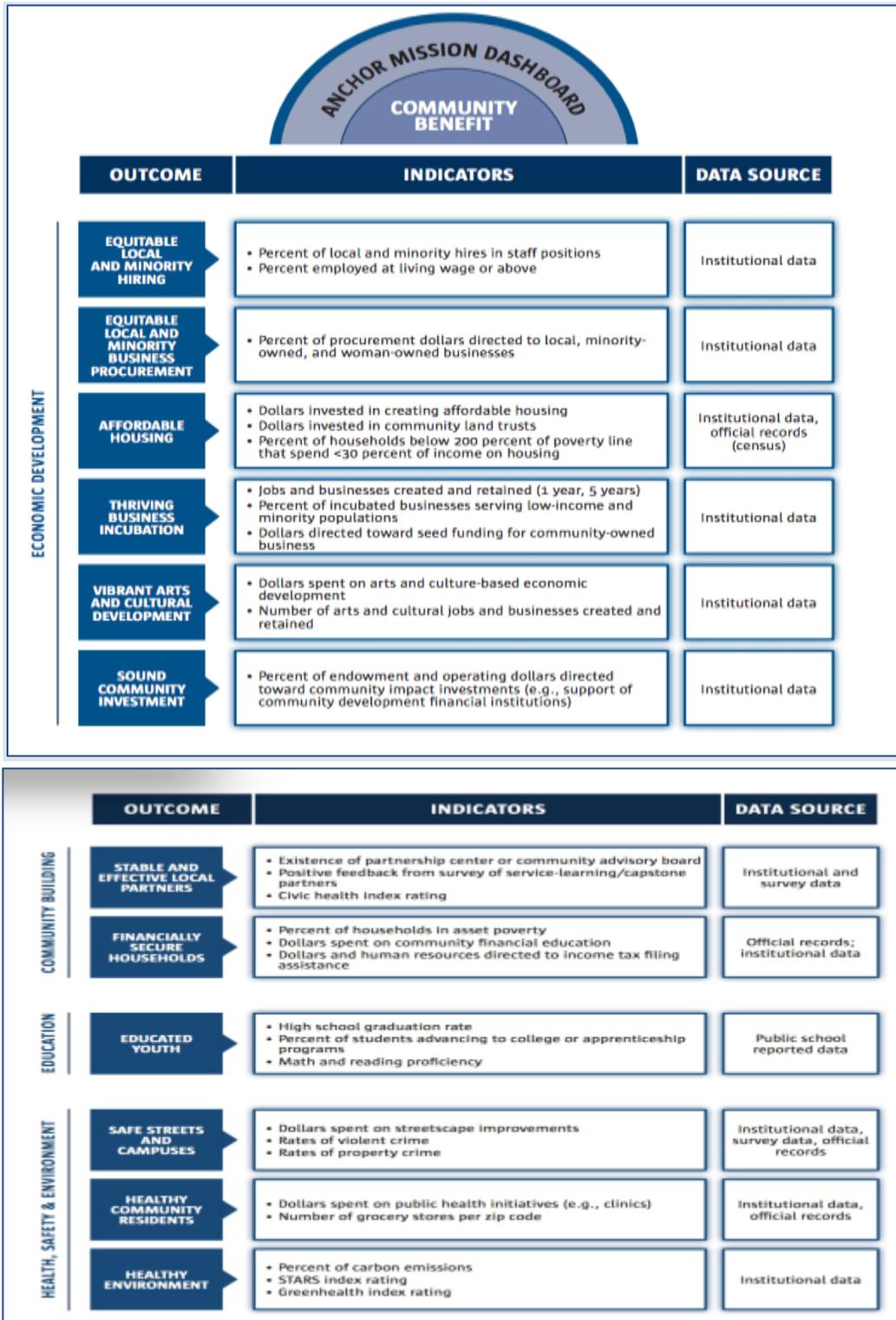


Figure 4: Anchor Dashboard Indicators, Democracy Collaborative

## KEY LESSONS

Anchor institutions should start with their end goal of what community impacts they are seeking as they develop their SVP policies. These goals need to be developed in partnership and through dialogue with communities. Baseline data should be gathered once these goals are set. Clarity of purpose is a key ingredient in establishing the evaluation and indicators against which to measure improvement.

Enabling technology and infrastructure should be established at the outset. Initially, there was lack of understanding of the need for an on-line platform that would allow for information to be aggregated. There was also a need for alignment of purpose and common understanding across institutions, communities and other stakeholders before the program started. This alignment can be achieved by setting clear goals, definitions, and terminology.

### **The Dashboard provides a set of best practices:**

- “(1) Measure inputs in areas where there is good reason to believe that there is a positive connection with outcomes and impact;
- (2) Set benchmarks, such as percentage of procurement dollars directed toward local- and minority-owned businesses.
- (3) Identify policy indicators where numerical goals cannot be obtained, such as the existence of policies directing environmentally sustainable business practices;
- (4) Establish goals and timelines where it makes sense to do so, such as setting local hiring goals for projects;
- (5) Focus indicators on factors that will improve local economic multipliers; and
- (6) Identify data that can be (relatively) easily obtained to reduce data collection costs.”

Source: The Anchor Dashboard

## CLEVELAND’S GREATER UNIVERSITY CIRCLE INITIATIVE (GUCI)

The GUCI is evaluated on an annual basis by independent evaluators: Center for Economic Development and Community Planning and Development (Cleveland State University). Members of GUCI recognize the importance of independent evaluations. For example, University Hospitals (UH) claims that “one of the most important decisions UH made was retaining the services of an independent, third-party entity to monitor implementation, promote community outreach and engagement, and find creative solutions for expanding minority participation in contracts. Hiring an independent monitoring firm demonstrated that ... UH was willing

to hold itself to a verifiable standard of accountability.”

The evaluation uses data from the following sources: direct observation of meetings, interviews with members of the economic integration management committee and other key informants and progress indicators to measure goals and objectives. The GUCI is evaluated across its four stated goals: buy local; hire local, live local and connect. As of 2017, the GUCI has five years of evaluations on which to draw and to track progress over time. The evaluations consider the positive social, environment and economic

outcomes and impacts of the initiative, in addition to the potential negative impacts (e.g., gentrification). The evaluation also considers broader systems

changes and governance of the initiative. The evaluation framework is both qualitative and quantitative. It is based on a clear logic model.

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## GUCI KEY CHALLENGES

Interviewees in the GUCI Year 5 Evaluation identified several limitations to measuring impact of GUCI initiative. First, there are insufficient data to determine the long-term economic and social impacts of the initiative. Evaluators only focus on indicators, such as the number of new jobs and procurement from local business. However, initially it was hard to define and assess 'local' with limited data collection. Data on individuals were even harder to access and raised privacy concerns. Additionally, there was some resistance to sharing data among competitors who were seeking procurement contracts.

A significant challenge is demonstrating the positive impact of these programs when the larger meta-data on the region showed economic inequality was getting worse through this period. Here, the larger question is whether SVP efforts making a difference in their communities? Evaluation of SVP could demonstrate the positive effects anchor institutions were making for individuals even through this recent economic downturn.

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## GUCI LESSONS LEARNED

Interviewees in the Year 5 Evaluation Report expressed the need for greater focus on impact and scaling up impact. For example, while the procurement policies may lead to more jobs, it is not clear how these policies impact the GUCI neighborhoods. For example, the evaluation could look at the increase in property tax revenue

associated with keeping individuals in the local area and attracting new businesses. One interviewee suggested that the initiative should create a quarterly report to graphically illustrate changes and trends. The evaluation report recommends that GUCI identify the most important measures of impact on communities and individuals.

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### **Interviews**

Walter Wright, Program Manager for Economic Inclusion, Cleveland State University, Feb. 22<sup>nd</sup> 2017, telephone (1 hour)

Ted Howard, President, Democracy Collaborative, March 2<sup>nd</sup> 2017, telephone (1.5 hours)

Steven Standley, Chief Administrative Officer, University Hospitals Medical Group Inc., March 15, telephone (1 hour)

### OVERVIEW

**Policy Context:** The Province of Manitoba does not have a formal social value procurement policy, but has a targeted social value procurement program within one department, Manitoba Housing. The Government works directly with social enterprises on procurement opportunities through this department. In 2014, the Province of Manitoba co-produced the Manitoba Social Enterprise Strategy (MSES) with the Canadian Community Economic Development Network (CCEDNet- Manitoba). It was envisioned that the strategy could serve as a roadmap for social enterprise sector development. At the time of writing, recommendations made under the proposed Manitoba Social Enterprise Strategy are under review.

### FRAMEWORK / TOOLKIT

While the Government of Manitoba has not developed government-wide guidance or a toolkit for SVP evaluation, in 2014, the [Manitoba Social Enterprise Strategy](#) included recommendations to integrate social value in a number of government procurement contracts. Existing social purchasing initiatives were targeted to Manitoba Housing, (for maintenance and capital projects). In addition, there is an SVP partnership between Aki Energy and Manitoba Hydro to finance geothermal systems and in the past, the East Side Road Authority (ESRA) (now dissolved) contracted to community-owned construction companies through Community Benefit Agreements for pre-construction work.

Social enterprise procurement with Manitoba Housing began informally on a hand shake basis over ten years ago. Manitoba Housing agreed to use North End Community Renewal Corporation for small scale energy retrofits. To date, “Manitoba Housing spending on social enterprises has ranged from \$5-\$7 million, out of a \$134 million maintenance and capital budget.” Manitoba Housing uses a standing offer agreement (MOU) with five local not-for-profit enterprises who can receive preferential treatment in the bidding process because of the additional social value they provide. The standing offer was created

specifically for not-for-profit organizations. However, these organizations do not have preferential access to other contract bid opportunities that extend beyond the standing offer devoted exclusively to them.

Manitoba Housing could continue to explore opportunities to partner with social enterprises to annually increase its spending on social enterprises throughout the Province. The MSES recommendations include: providing, on an annual basis, as best as possible, its short-term and medium-term operating and capital expenditure plans with social enterprises to hear from the sector what work can be done at market rates and market quality. Agreeing that if it can be satisfied that a social enterprise is qualified and that it can do the work in a timely manner to industry standards and at market rates, then the social enterprise could be engaged. Manitoba Housing could continue to explore opportunities to build upon the successful models of Manitoba Housing and Aboriginal Community Benefit Agreements by mandating departments and Crown corporations to partner with social enterprises to create business plans for other targeted opportunities, such as child and youth care workers, or northern healthy food.

#### Evaluation Methodology

Manitoba Housing uses SROI analysis for its social enterprise procurement program. They have used and paid for an expert third party evaluator to undertake the analysis. They have also brought in expert consultants in the field to work directly in government implementing this program. It was felt that monetizing the impact was important to demonstrate the value across government and with procurement officers of social value purchasing and community benefit agreements. The SROI is used together with other more standard forms of evaluation. Each organization contracting under SVP receives its own report. The information is aggregated across the organizations for a government-wide report.

### **Practical Guidance/Tools**

Manitoba Housing sets narrowly defined social objectives to be achieved. Most provide employment opportunities for those with significant employment barriers. They work with each organization to develop a set of KPIs that corresponds to the objectives. Organizations must report on an annual basis. The SROI evaluation of the SVP program with Manitoba Housing is now in its second iteration. In the first round, financial proxies were kept purposefully low in order to provide conservative numbers for the impacts generated.

The SROI used a large excel spreadsheet combined with on-line workbooks. It also draws on surveys.

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### **KEY CHALLENGES**

There continues to be a lack of understanding about social enterprise generally among many bureaucrats and property managers. This resistance has been highlighted with a recent change of government that requires additional persuasion as to the merits of social value purchasing by the government. Additionally, there is resistance from government contracting authorities to pay a social value premium that may be required to deliver the added social benefits.

While the SROI methodology was accepted by the social enterprises in the Manitoba Housing SVP program, it created an additional workload for the social enterprises that was sometimes difficult to manage. While some organizations had base-line data, many did not. It was agreed to use reasonably verifiable proxies. These were selected by the SROI consultant.

There is a growing interest in SROI, but the costs associated with its use are high and there are limited funders for this evaluation framework. The SROI is currently a 'front-facing' document and is not yet used for self-improvement by the social enterprises.

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### **KEY LESSONS**

The assumptions, methodology and key indicators must be agreed to in advance by all stakeholders. Engaging all stakeholders remains a critical aspect of this framework. This includes government officials across the bureaucracy, procurement officers and community. Central government agencies should be involved to ensure a broad reach for SVP across government.

Consensus on robust and rigorous metrics is essential for success. As is ensuring these metrics 'measure

what matters' across a variety of constituencies, including various government departments and procurement officers. Earlier informal SVP acted as a pilot for the framework and allowed for learnings over time that were implemented with the framework

Open access to the data collected is important to inform all stakeholders and to ensure that the findings are used rather than "shelved".

The proposed Social Enterprise Strategy made several recommendations that touch on evaluation frameworks. These include: “developing a Social Enterprise Procurement guide for municipal and provincial purchasers, similar to the UK’s The Social Value Guide: Implementing the Public Services (Social Value) Act, explaining Community Benefit Clauses (language, weighting matrix and evaluation methods), social enterprise and plain language trade

agreement exemptions.” Additionally, the proposed strategy recommended to “connect social enterprises with community research partners to help them calculate and promote their social and financial return on investment.” At the time of writing, recommendations made under the proposed Manitoba Social Enterprise Strategy are under review.

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#### **Interviews**

Sarah Leeson-Klym, Regional Director, CCEDNet-Manitoba, February 10, 2017, telephone (1 hour)

Darcy Penner, Social Enterprise Policy Manager, CCEDNet-Manitoba, February 10, 2017, telephone (1 hour)

John Baker, Social Enterprise Consultant, Manitoba Housing and Community Development, Government of Manitoba, March 6<sup>th</sup> 2017, telephone (1 hour)

### 3. COMMON THEMES IN SVP EVALUATION FRAMEWORK DEVELOPMENT

#### COMMON THEMES AND OUTCOMES

##### Designing the SVP Evaluation Framework

**Ease of use (often described as simplicity), built for purpose, and proportionate to the task** were the overriding common themes when developing an SVP evaluation framework. These three elements are critical, as a successful framework is viewed by all those interviewed as one that is used by a wide range of key stakeholders including policy makers, commissioners, procurement officers, and contractors.

**Most SVP policies and programs are mandated by policy makers and enacted through regulation. These regulations should include the requirement to evaluate the program on an ongoing basis.** All toolkits and frameworks examined in this report attempt to evaluate their SVP program based on the outcomes and impacts they generate for their target beneficiaries. A few also draw on large datasets to examine broader community-wide changes that may have resulted from the SVP program.

**The requested social impact should be meaningful, measurable, with a small number of focused outcomes that are built from the ground up.** These outcomes should be quantifiable rather than vague aspirational goals that cannot be measured. They should also be verifiable, with beneficiaries clearly identified. Annual reporting requirements by contractors on progress toward the stated goals were beneficial for these frameworks. Several interviewees called this approach “clarity of purpose” where meaningful social change is identified right at the start of the program and embedded into the evaluation framework. In many cases, there was little to no resistance from contractors to gather data for SVP evaluation, if there was clear direction on what is expected of them.

**In many cases the SVP policy is aligned with a larger set of State, Province or Country (or even global) aspirational goals.** These strategic priorities should be set at the policy level and conveyed to the contracting authorities and contractors, rather than leaving it up to these actors to design and shape the SVP program goals. Once the goals have been determined, all stakeholders should be involved in setting meaningful and detailed KPIs against which progress can be measured (see engagement strategies below). Progress on KPIs should be mandatory, rather than aspirational, with both incentives for delivery and consequences for non-delivery on the stated KPI. Agreement on these consequences should be embedded into the procurement process. Equally important, the contractor should be required to indicate not only what social value they will deliver, but how they will do it (often referred to in the toolkits as ‘method statements’).

##### Engaging Stakeholders

It is widely agreed that commissioners and procurement officers must **engage service providers (including social enterprises) when designing evaluation frameworks for social value.** There are several reasons why working with service providers is important. First, providers can help commissioners to design evaluation criteria in a way that is proportional to the impact of the provider’s service.<sup>58</sup> Governments can also invest in building capacity of social sector organizations.<sup>59</sup> Second, engaging with providers in designing evaluation can help to ensure that the monitoring and evaluation process gathers data that are useful for both the funder and the provider.<sup>60</sup> Finally, engaging providers in evaluation is key to ensuring that evaluation serves as a tool for deliberation and change.<sup>61</sup> It is also important that evaluations capture the experiences and perspectives

of the end-users of services that are provided by contractors.

It was suggested that having a broader range of contractors involved right from the start, particularly professional service providers, can be helpful, as there is a tendency to focus on large government procurement areas such as construction (with the goal of apprenticeships and job training) when designing SVP programs. However, involving stakeholders means “lots of listening” usually through meetings, building supportive networks, providing guidance and mentoring for those engaged in SVP and SVP evaluation.

#### **Data Collection, Methodology and Reporting Platforms**

Most SVP evaluation frameworks and toolkits use large Excel spreadsheets for collecting data on the agreed upon KPIs. A few more advanced toolkits and frameworks use more sophisticated on-line platforms for data collection. On-line platforms have several advantages. First, data can be easily stored, shared, and aggregated among several organizations or projects within a single organization, such as a government department. This allows for a larger picture of SVP progress to emerge from the data. It requires both open source and open data sharing agreements, though often identifying information is scrubbed before being shared. Second, on-line platforms allow for high-level algorithms, metrics and proxies to be embedded in the platform enabling greater simplicity for the end user, while providing a high level of robustness to the data and data analysis.

Whatever the method of data collection, both pre- and post-data are strongly suggested in SVP evaluation frameworks. This requires baseline data to be collected before the SVP program is established. Once implemented, the SVP evaluation must take additionality into account when evaluating outcomes.

Interestingly, our interviews revealed a shift away from SROI methodology and toward simpler methods. This reflected the need for ease of use and simplicity for the end user to ensure adoption.

In many cases the subjectivity in the use of financial proxies was raised as an impediment to SVP evaluation, where both procurement officers and contractors had a high level of skepticism and preferred measurement systems with greater robustness and verification capability.

#### **BARRIERS AND CHALLENGES TO IMPLEMENTATION**

Barriers and challenges to evaluating social value in a procurement context broadly fall into two categories: the lack of resources for data collection and the lack of standardized frameworks, KPIs and best practices to interpret the data.

##### **Resource challenges:**

Resource challenges refer to the time, skills and financial resources that are required for data collection and assessment of social value throughout the procurement lifecycle.

The literature identifies several resource challenges facing public contracting authorities. For example, in a survey of Scottish public commissioners, researchers find that more than half do not feel that they have the knowledge and skills to conduct evaluation of social value.<sup>62</sup> Another concern that is often raised by commissioners is the high demand on resources required to collect data on social value, given the depth of data that is required to demonstrate and explain outcomes.<sup>63</sup> Basic data collection continues to be a major issue for many organizations, and in many cases costs for SVP evaluation remain high.

Data that are collected are often inconsistent, which makes it difficult to compare social value across industries and government departments.<sup>64</sup> A recent review of the US Small Business Administration’s procurement suggests that the government may need to legislate data collection to ensure its availability and consistency.<sup>65</sup> Data collection is further complicated by the long time horizons that are required to track impacts, such as improved labour market attachment or poverty reduction.<sup>66</sup>

The lack of resources dedicated to evaluation in the public sector often results in the burden of data collection being shifted to social sector organizations.<sup>67</sup> Many procurement officers are reluctant to pay additional costs for the social value premium, where 'value for money' remains key. This can privilege larger organizations in the bidding process who can absorb these costs associated with delivering social value within the scale of their operations.

Moreover, commissioners and procurement officials often use a 'one-size-fits-all' approach in evaluation to reduce the costs associated with using specialized evaluation frameworks.<sup>68</sup> This can place smaller organizations at a significant disadvantage, as they are not able to compete against larger organizations that have more resources to dedicate to demonstrating their social value through formal evaluation.<sup>69</sup>

For many, monetizing social value remains a challenge, including the robustness of financial proxies used to quantify social outcomes. The lengthy process of dialogue, mentoring and training for both contracting authorities and contractors is a further challenge in SVP evaluation.

Another challenge is the sharing of data. Although sharing and aggregating data can offer valuable insights into SVP (as indicated above), many organizations fear that they will lose a competitive edge in contract procurement if data are shared.

### **Interpretation challenges:**

Interpretation challenges refer to the lack of standardization in definitions, tools and KPIs for measuring and evaluating social value in the procurement context.

The most commonly cited challenge for evaluating social value in a procurement context is the lack of a universal definition for social value. Commissioners, procurement officers and contractors have all expressed concern with the vague definitions of social value and the problems that this can create for evaluating performance of social value

procurement.<sup>70</sup> Moreover, some practitioners warn that the ambiguity in the meaning of 'social value' or 'community benefit' can create the conditions for deliberate exploitation of procurement policies by organizations that do not legitimately intend to provide social value.<sup>71</sup>

Clarity is widely understood as a precursor to developing meaningful indicators of social value.<sup>72</sup> The Atkinson Foundation describes the development of indicators as "the core of the evaluation challenge."<sup>73</sup> A UK survey finds a strong correlation between organizations that have a clearly articulated SVP policy and those that measure and evaluate social value.<sup>74</sup> While indicators and evaluation methodologies exist for the social impact sector more broadly, researchers find that these may not translate easily to the social value procurement context.<sup>75</sup> Moreover, public sector commissioners and procurement officials have expressed concerns that:

"although a myriad of social value toolkits, policies and charters exist, it is much harder to find practical social value measurement methodologies, approaches and examples of best practice."<sup>76</sup> Even where progress on standardization has been made, comparability across industries and government departments remains a significant challenge.<sup>77</sup>

A third set of interpretation challenges relates to the lack of guidance to deal with situations where a perceived conflict arises between social value objectives and more 'traditional' objectives. While social value should align with efficiency and budget savings (evidenced by value for money), a common concern that was expressed by commissioners in the literature is that qualitative and intangible outcomes are given less priority than outcomes that are easier to measure and to quantify and that can be assigned financial proxies.<sup>78</sup> As Morgan explains, "the tendency may be then to regard these softer outcomes as additional benefits to the program, rather than as core components in the calculation of a project's social value." This can result in a 'two-tier' evaluation system, which privileges dimensions of

social value that are easy to quantify over qualitative and intangible dimensions.<sup>79</sup>

## LESSONS LEARNED

***Simplicity, consistency, clarity, and transparency*** emerge from this research as the four primary components for a good SVP evaluation framework. Many interviewees felt that they had started with too much complexity and gradually over time had focused their efforts to achieve both greater clarity of purpose and, as a result, greater simplicity within the framework or toolkit. Initially many SVP programs asked for vague and aspirational outcomes that left contractors unsure as to what was required. While more targeted outcomes may suggest that SVP does not have as broad a reach as first anticipated, these turn out to be attributes of a more successful SVP program. It is also easier to measure progress toward the stated goals and achievement of detailed KPIs. Evaluation metrics must be verifiable and therefore, the social outcomes requested must be measurable with the beneficiaries clearly identified.

***Baseline data*** are needed against which to measure progress and KPIs must be set and agreed to when defining the parameters of contracts. ***Mandatory annual reporting*** by contractors on progress toward the goals and KPIs provide clarity for both agencies and contractors in monitoring and evaluating these programs. Ability to aggregate data across organizations is important to get a broader picture of the impact of SVP programs.

***Providing guidance, mentoring, dialogue, meetings, network building*** are all important supports for facilitating take up and adoption of an SVP evaluation framework or toolkit. This can be a lengthy and costly process but ensures that the framework is built from the ground up. Engaging all stakeholders is key, including across government, as it is important that these frameworks remain in place even when governments change.

## GOOD PRACTICES AND PRINCIPLES

Since SVP evaluation is in the experimentation stage, an established set of best practices for evaluation is premature.<sup>80</sup> However, the literature is beginning to surface a consistent set of ‘principles’ and good practices for evaluation in the procurement context, many of which respond directly to the challenges identified in the previous sections. The following section summarizes these practices and principles for the design and implementation of SVP evaluation.

**Clarity of objectives:** Academics and practitioners agree on the need for greater clarity in articulating the objectives of SVP policies to the sector and the broader public.<sup>81</sup> However, the literature also suggests that there is a trade-off between the specificity required to create the conditions for meaningful evaluation and the potential of this specificity to undermine innovation of the social sector by being overly prescriptive.<sup>82</sup> While the literature has not yet provided a solution to this dilemma (e.g., the debate over open vs. closed questions in procurement), it is widely held that “measurement and evaluation must flow from a strong definition of social value priorities.”<sup>83</sup>

**Accountability and Transparency:** To ensure fairness and to mitigate risks, such as legal challenges under international trade agreements, the processes by which social value is evaluated must be transparent.<sup>84</sup> Moreover, given that evaluation functions as a mechanism for public accountability, commissioners and procurement officers are encouraged to seek independent evaluators or auditors. For example, Cleveland University Hospitals emphasizes the importance of commissioning an independent entity to monitor implementation of its community well-being policy.<sup>85</sup> Salford Council (UK) recommends independent audits.

**Standardization and Comparability:** It is widely held that standardization of KPIs and evaluation methodologies is critical to ensure comparability of potential contractors. Standardization will also contribute to reducing the burden of evaluation on

commissioners and social enterprises and small businesses.<sup>86</sup> But many argue that it is impossible to achieve a level of standardization in evaluation frameworks that could apply across all social value contracts, given the diversity of contexts in which these policies are applied.<sup>87</sup>

For example, commissioners report that SROI evaluations work well for some social enterprises, but may not be practical or appropriate for others.<sup>88</sup> Some procurement professionals recommend that the public sector adopt “a loose strategic framework that is flexible to adapt measuring approaches to each contract while still providing consistency.”<sup>89</sup> Similarly, academics emphasize standardization of principles for evaluation, rather than standardization of specific evaluation frameworks.<sup>90</sup>

While standardization for the broader field is still an elusive goal, several regional and sectoral initiatives are making progress toward standardization on a sector or local level. For example, anchor institutions in Cleveland created a baseline to track progress against their hire local goal.<sup>91</sup> Another example is HACT’s database of social value indicators for the housing sector. The Social Value Portal (UK) provides a KPI library and Social Value Maturity Index Tool to help local public contracting authorities evaluate progress on implementing their policies, including a tool for evaluating their progress on measurement.<sup>92</sup>

**Lifecycle approach:** Guidance in the toolkits and evaluation frameworks emphasizes the importance of integrating evaluation throughout the commissioning lifecycle to promote learning. In the long-term, it is recommended that evaluation is used to show how SVP aligns with government’s strategic objectives and to build the evidence base to support continuous improvement of SVP policies and their implementation.<sup>93</sup> This requires a more systematic approach to monitoring and evaluating social value clauses.<sup>94</sup>

**Flexibility:** Some dimensions of social value may never be quantified given their intangible nature.

Social dimensions such as well-being and inclusion are the most difficult to translate into financial proxies. In contrast, economic dimensions of value are considered easier to evaluate. When these objectives conflict, contracting authorities often prioritize economic over the social goals.<sup>95</sup> As a practical solution to this problem, Wilkinson and Krups (2009) suggest that contracting authorities “focus on developing a robust set of key performance indicators to allow for using the results of different methodologies across several indicators that encompass economic, social and environmental dimensions of social value.”<sup>96</sup> As a conceptual solution to this problem, Mullgan (2010) suggests, “when people approach social value as subjective, malleable, and variable, they create better metrics to capture it.” However, the principle of flexibility reinforces the importance of ‘transparency’ and ‘clarity of objectives’ in designing evaluation to ensure contracting authorities and contractors are held accountable for social value outcomes and impacts. It also reinforces the need to engage all stakeholders when developing SVP frameworks and KPIs.

## CONCLUSION

While many contracting authorities are talking about evaluating social value procurement, few are actually doing it. This report suggests that the lack of evaluation standards and KPIs presents significant barriers to the implementation of SVP policies. There is no shortage of evaluation frameworks. What is needed is an assessment of these evaluation frameworks to better understand the contexts in which different evaluation methodologies work best, how individual governments can make progress in absence of enabling market conditions (e.g., standardization, KPIs, databases), and how contracting authorities can contribute to building the conditions that are required to normalize the practice of integrating social value in procurement practices. This research has drawn on case studies and interviews with contracting authorities that are leading the way on evaluation to respond to these questions.

## APPENDIX 1: SOCIAL VALUE PROCUREMENT TOOLKITS AND FRAMEWORKS

Toolkit/ Framework	Methodology	Components			Description
		Templates	Calculator	Sector	
<b>Camden Model</b>	Outcomes Star  LM3	X		General	Camden Council has been engaged in social value procurement at least since 2005. The Council's 'Sustainable Commissioning Model' is used by several other Councils. The SCM focuses on outcomes and aims to capture the value of outcomes that are created by commissioning services at the service level and the wider community across SEE outcomes. The SCM contains two key elements: An Outcomes Framework, which incorporates SEE impacts in the tendering stage, and Valuing Model to track SEE outcomes. It also aims to track financial savings.
<a href="#">Croydon Social Value Toolkit</a>	Not specified	X		General	The toolkit is intended to support commissioners, procurement officers and service providers to integrate social value into the commissioning process. In addition to legal guidance, the toolkit includes a step-by-step award criteria methodology to guide contracting authorities through the commissioning cycle. It recommends the use of 'method statements' in the procurement process to facilitate evaluation of outcomes. Evaluation is discussed throughout the toolkit at a high-level. The toolkit includes 10 case studies.
<a href="#">Dumfries &amp; Galloway Purchasing Outcomes</a>	SROI and Outcomes Assessment Framework (Camden Model)			General	Strategic Partnership monitors progress of Single Outcome Agreement quarterly.
<a href="#">HACT Framework</a>	Well-being Valuation	X	X	Housing Sector	The toolkit is intended to provide guidance and advice for commissioners, procurement officers and for contractors including social enterprise and other service providers. The toolkit covers a wide range of issues related to procurement, including legal barriers, resource considerations, capacity building and a dedicated section to evaluation and measurement. The toolkit provides a step-by-step guide for commissioners through four stages

					of procurement: scoping, procurement, mobilization and contract delivery. Across each stage the toolkit considers good practices including evaluation criteria design and implementation. The toolkit recommends that procurement officers use the Well-being Valuation approach for measurement and reporting, finding that it is the most methodologically consistent and robust. The toolkit includes a KPI template, tender evaluation criteria template, an accompanying 'guide' to using the well-being valuation approach, HACT value calculator and a social value bank.
<a href="#">Halton Borough Council Opportunity Assessment Framework</a>	Opportunity Assessment Framework	X		General	The framework presents a high-level overview of the Council's approach to social value procurement. It demonstrates the alignment between the Council's sustainability community strategy, the Marmot Principles and the social value priorities. The relationship between these priorities are illustrated in the Opportunity Assessment Framework, which links the Council's priorities to outcomes indicators. The Framework also includes a case study of a highway maintenance contract and the winning tender that was evaluated for how it would incorporate social value into its contract delivery (such as local employment opportunities) on a weighted criteria basis.
<a href="#">London Borough of Richmond Toolkit (UK)</a>	Not specified	X		General	The toolkit is intended to provide guidance for commissioners and procurement officers. It includes steps for contracting authorities to incorporate social value into procurement. The toolkit maps two routes to procurement and provides a series of checklists. There are several references to evaluation throughout the procurement lifecycle, including: establish whether social value can be used in the evaluation criteria; discuss how SV will be included in service specification and evaluation criteria with Commissioner; include references to social value in all tender documents; include an update on social value in Tollgate 1 report and checklist for review process. The toolkit recommends that commissioners adopt a 'social value methods statement', which would outline how SEE benefits will be delivered (and used to create a 'social value plan'). It also recommends quantitative or qualitative measures of social value in the performance management clauses and outputs and KPIs be used to describe how SEE benefits will be supplied over the life of the contract.

				(There are several overlaps between this framework and Croydon framework – both use the same case studies and very similar language throughout).
<a href="#">London Fire Brigade Responsible Procurement</a>		X	X	Calculator and pre-populated excel spreadsheet to assess social value across a range of social, economic and environment indicators.
<a href="#">Lancashire Enterprise Partnership Toolkit</a>	Not specified	X		Toolkit includes social value matrix, advice on embedding procurement and planning processes, some general guidance on monitoring social value outcomes and case studies with specific outcomes achieved. The toolkit also includes a local resource section to support various sections of the toolkit. It does not provide detailed guidance on evaluation but Lancashire does have an evaluation sub-group. Also see: CLES evaluation (2017), which provides evaluation of Lancashire’s SVP program. Initial analysis found 60% leakage from local economy spending. The evaluation describes the last five years of activities and an evidence baseline, behaviour changes in institutions, understanding impact of suppliers collected through a survey and understanding local business impacts. The CLES evaluation also conducts a ‘gaps analysis’ to identify new opportunities for anchor institutions.
<a href="#">Manchester</a>	Not specified			In 2017, Manchester City Council released a toolkit for suppliers to provide guidance on SVP. The toolkit is intended to provide information and guidance to support suppliers when engaging in procurement process. The toolkit outlines the council’s strategy, social value policy and describes a framework for suppliers, including examples of what suppliers could offer in relation to specific policy objectives. The toolkit also includes a list of contacts for suppliers to access support including local suppliers’ resources, local employment resources, apprenticeship grants, etc. The toolkit does not provide detailed evaluation guidance. CLES (2017) evaluation focuses on local direct spend across different geographies and uses outcomes developed in the council’s SVP framework to explore wider impacts across suppliers and across wider range of indicators. The report also includes consideration for the change that is affected by the framework, including 65 million in savings, because of reduced duplication and economies of scale in purchasing. The report also finds Manchester already procures over 50% of its goods/services from SMEs. Key success factors include: Establish means of scoring social value objectively as part of wider set of criteria; consider

					organization size and ability to enhance social value and monitoring requires on-going relationship with suppliers in the post-contract award phase.
<a href="#">Oldham Council Social Value Procurement Framework</a> (Draft 2016 Framework)	Themes, Outcomes and Metrics & Opportunities Assessment Tool	X		General	In 2016, Oldham renewed its procurement framework. The framework identifies four themes and the intended outcomes (e.g., jobs growth and productivity -> more local people in work; local workforce paid fairly and supported by employers). The review claims that the framework succeeded to ensure social value was included in all tender processes (5% weighting); promote supply chain opportunities for SMEs; splitting contracts where appropriate and matching for employment opportunities. Several Councils have recognized Oldham as a source for inspiration and have sought to replicate its framework. The renewed framework emphasizes the importance of including social value in contract monitoring and quarterly performance monitoring and the principle of proportionality for monitoring/evaluation. The framework suggests that for each procurement opportunity the commissioner undertake an opportunity assessment to id the proportionality of social value, id measureable outcomes, outputs and indicators. Social value would therefore be tailored for each contract - output indicators would be thematic and linked to priorities of Oldham Council.
<a href="#">Orbis Guide – Surrey and East Sussex (UK)</a>	Themes Outcomes and Metrics	X		General	Working with the Social Value Portal, the framework includes 40 measures aligned to a framework of themes, objectives and outcomes (our TOMs framework) to support the social value strategy for procurement. The framework allocates financial values to 34 of the measures and facilitates innovation by allowing suppliers to propose ideas for the remaining six measures. (SVP 2016).
<a href="#">Plymouth Social Value KPI Templates (UK)</a>		X		Employment	See Appendix E and F – Social Value Performance Report for smaller contracts and larger contracts – KPIs
<a href="#">Salford Council</a>	Social Accounting; Outcomes Star; SROI			General	The toolkit includes a section dedicated to helping practitioners demonstrate social value across a range of objectives, including local impacts. The toolkit directs practitioners to the NEF’s Prove and Improve resource as a starting point. The toolkit explains why it is important to measure social value before deciding how to measure and what tools to use. It also provides recommendation to map stakeholders and think about what social value means to these different groups, to identify which indicators to use

					to demonstrate progress, and finally, to decide what tools and systems are required. The toolkit concludes with recommendations for how to report on social value and consider an independent verification/audit.
<a href="#">Scottish Government Guidance on Evaluation</a>	Not specified	Indicators		Employment	A review of the Procurement Reform (Scotland) Act 2014 recommends a framework for monitoring and evaluation. The Framework recommendations include four components: Monitoring Information; Monitoring Outcomes (both relate to indicators that should be captured); monitoring system (to collect this information); and Reporting arrangements (to ensure that the data that is collected is used to inform decision-making). The framework suggests indicators that could be used across public sector organizations that would be reported on an annual basis to provide an aggregated view of progress toward national goals. Indicators include: key contract information; community benefit requirement indicators (to measure different types of training and employment); short-term sustainability indicators (focus on specific job opportunities – and demonstrate employment retention for 26 weeks); and finally, additionality indicators which would be used to capture whether or not job opportunities, etc. for priority groups would have occurred in absence of the CB requirements. The framework also identifies a series of longer-term indicators and this data could either be collected by the provider or by the procuring organization – public investment in resources for this data collection is needed in both cases.
<a href="#">Shropshire Procurement Framework (UK)</a>	Not specified			General	The framework suggests measures, milestones or indicators for social value. It also illustrates the relationship between the Council’s high-level outcomes, the medium-term outcomes and objectives by which the Council plans to evaluate success.
<a href="#">SVA Toolkit Essex (UK)</a>	Not specified			General	This toolkit provides an overview of what is required to implement SVP, guidance relating to some social value criteria, and case studies. It is recommended that ‘once a contract has been awarded ensure that you have mechanisms in place to record the achievement of social benefits that you have required in your tender.’
<a href="#">Wales Community Benefits Measurement Toolkit (UK)</a>	Local economic multiplier	X	X	General	Measurement tool for contracting authorities to improve data gathering and consistency. The tool provides a consistent format for contractors to record and report key information. There are six specific categories related to

					local employment recorded by the measurement tool. The toolkit is accompanied by a one-day training session.
<a href="#">Worcestire County Council Toolkit</a>	Not specified				The procurement process is outlined and information given on how to best monitor and measure social value generation.

## United States

<a href="#">Anchor Dashboard</a>	Dashboard – 12 indicators	X	X	Low-income children and families	The framework is intended to assist anchor institutions understand their impact on the community and, in particular, the impact on the welfare of low-income children and families in those communities. The dashboard includes 12 general outcomes themes. The Democracy Collaborative also publishes indicators for community wealth on its website.
Cleveland Greater University Circle Initiative	Case study	X		Local hiring, purchasing and living	Independent evaluations conducted for last five years (2011- 2016) includes in-depth case study, interviews and analysis/assessment of outcomes and attempts to compare impacts over time.
<a href="#">US SBA Social Scorecard</a>	Scorecard (Quantitative target for small business/marginal small business and qualitative 'success factors' )	X		General	The annual Scorecard is an assessment tool to (1) measure how well federal agencies reach their small business and socio-economic prime contracting and subcontracting goals, (2) provide accurate and transparent contracting data and (3) report agency-specific progress.

## Australia

<a href="#">Australasia Social Procurement Toolkit (State of Victoria)</a>	Cost benefit analysis, mentions LM3, GRI, SAA and SROI	X		General	Evaluation guidance for local governments including evaluation for selection criteria, evaluation plan, evaluation team and contract monitoring and reporting. The toolkit provides guidance on cost-benefit analysis – it suggests that cost/benefit analysis are particularly important for social procurement because quantification of benefit is key way to create support for social value procurement and governments are facing increasing pressure to demonstrate financial accountability. The toolkit recognizes that social value benefits are difficult to quantify. The toolkit includes several templates including request for information, KPIs for employment Also includes principles for developing social value
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tender evaluation criteria (e.g., selection criteria must be specific and objectively quantifiable and transparent) and principles for KPIs - must be tailored to the outcomes that are sought. Recommends that commissioners develop an evaluation plan in conjunction with the tender document. Details the components that should be included in the evaluation plan. Also recommends an evaluation team is established selected for their expertise. The toolkit also includes information on contract monitoring and reporting,

## APPENDIX 2: LIST OF INTERVIEWS

CASE	First Name	Position	Organization
<b>HACT</b>			
	David King	Social Value Advisor	HACT
	Mary-Kathryn Rallings Adams	Deputy Chief Executive	HACT
<b>SCOTLAND</b>			
	Josephine Mitchell	Scottish Procurement	Government of Scotland
	Jonathan Coburn	Founder & Director	Social Value Lab
	Victoria Sutherland	Lead author, Research Fellow	University of Glasgow Training and Employment Research Unit
	Alex McTier	Research Associate	University of Glasgow Training and Employment Research Unit
<b>CLEVELAND</b>			
	Ted Howard	President	Democracy Collaboration
	Walter Wright	Program Manager for Economic Inclusion	Cleveland State University
	Steven Standley	Chief Administrative Officer	University Hospitals
<b>MANITOBA</b>			
	John Baker	Social Enterprise Consultant	Manitoba Housing and Community Development
	Sarah Leeson-Klym	Manitoba Regional Director	Canadian Community Economic Development Network
	Darcy Penner	Social Enterprise Policy Manager	Canadian Community Economic Development Network
<b>OTHERS</b>			
	Wayne Chu	Program Lead for Anchor TO	City of Toronto
	Anshula Chowdhury	Chief Executive Officer	Sametrica

**Additionality:** A measure of impact that suggests impact has only been achieved if increases in the quantity or quality of social outcomes is beyond what would otherwise have occurred.

**Anchor Institutions:** Large, place-based institutions with considerable purchasing power in their communities.

**Commissioning Lifecycle:** The stages of commissioning, including pre-procurement, tendering and evaluation, contract monitoring and on-going learning and feedback.

**Community Benefit Clauses:** Clauses used to integrate economic, social or environmental conditions into the delivery of public contracts.

**Contracting Authorities:** In the context of this report, refers to both commissioners and procurement officers.

**Contractor:** Refers to a broad range of organizations, including social enterprise, non-profit organizations, small and medium enterprise and larger private-sector contractors that compete to deliver goods and/or services on a contractual basis to a public sector contracting authority.

**Green Book:** UK Treasury Resource that provides guidance for public contracting authorities on appraising proposals.

**Key Performance Indicators (KPIs):** Quantifiable measure that is used to evaluate success against a previously determined performance objective.

**Local Multiplier (LM3):** An evaluation methodology developed by New Economics Foundation to measure the impacts of local spending on the local economy.

**Social Return on Investment (SROI):** “An approach to understanding and managing the value of the social, economic and environmental outcomes created by an activity or an organization. SROI measures the significant intended and unintended outcomes and applies a dollar value to these outcomes.”

**Social Value Procurement (SVP):** *(sometimes referred to as community benefits clauses or sustainable procurement)* The use of procurement processes and purchasing to generate positive social, economic and environmental impacts for communities and to achieve better value for money for taxpayers.

**Well-being Valuation Approach (WVA):** Evaluates the success of a project or intervention by its impact on people’s well-being by calculating the equivalent monetary value needed to increase well-being by the same amount.

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## Notes

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<sup>1</sup> Atkinson Foundation 2016.

<sup>2</sup> Harlock, 2014; Social Value Lab, 2012.

<sup>3</sup> Harlock 2014; Sutherland et al. 2015; UK Cabinet Office 2015.

<sup>4</sup> Arvidson and Kara 2013; Harlock 2014; Sutherland et al. 2015; SEUK 2014; UK Cabinet Office, 2015.

<sup>5</sup> Brighton and Hove City Council, 2015.

<sup>6</sup> Social value procurement is used throughout this report to describe a broad range of commissioning approaches that seek to integrate economic, social and environmental benefits, including community benefits clauses/agreements, sustainable procurement and community wealth building.

<sup>7</sup> Nicholls 2007.

<sup>8</sup> Arvidson and Kara 2013; Arvidson and Lyon 2014; Morgan, 2015; Mullgan 2010; Revington et al. 2015.

<sup>9</sup> Arvidson and Kara, 2013, p. 3.

<sup>10</sup> Harlock 2014.

<sup>11</sup> Social Value Labs 2012.

<sup>12</sup> Morgan, 2015. Wilkinson and Krups 2009.

<sup>13</sup> Morgan 2015, p. 5.

<sup>14</sup> Arvidson and Lyon 2013.

<sup>15</sup> Arvidson and Lyon, 2013; Nicholls, 2007; Revington et al., 2015.

<sup>16</sup> Harlock, 2014; Mullgan 2010.

<sup>17</sup> Mullgan, 2010.

<sup>18</sup> Nichols, 2007, p. 12.

<sup>19</sup> See for example, Social Value Maturity Index 2016.

<sup>20</sup> Local UK governments including Camden, Salford and Oldham are often identified as leaders.

<sup>21</sup> Wales 2014.

<sup>22</sup> Atkinson Foundation, 2016.

<sup>23</sup> Hexter et al. 2016.

<sup>24</sup> The dashboard and indicators are available at: [www.communitywealth.org](http://www.communitywealth.org).

<sup>25</sup> Sutherland et al., 2015.

<sup>26</sup> Ibid, 2015.

<sup>27</sup> Wilkinson and Kirkup, 2009. "Corporate and procurement strategies of public agencies do not often relate to each other – the process of procurement fails to reflect objectives of these strategies".

<sup>28</sup> Social Value Lab, 2012.

<sup>29</sup> Revington et al., 2015

<sup>30</sup> Harlock, 2014.

<sup>31</sup> CLES (2017b) calculates that Manchester City saves £65 million from reduced duplication and economies of scale as a result of centralizing its procurement policies, although these savings are not directly linked to social value procurement. Social Enterprise UK, 2016 found that no council had calculated their savings from SVP.

<sup>32</sup> UK Cabinet Office, 2015

<sup>33</sup> ibid, 2015

<sup>34</sup> Sutherland et al., 2015; UK Cabinet Office, 2015.

<sup>35</sup> Morgan, 2015.

<sup>36</sup> Leighton and Wood, 2014; Social Value Labs, 2012.

<sup>37</sup> Ibid, 2014.

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<sup>38</sup> Leighton and Wood, 2014; Morgan, 2015. “It is more common to assess value added in qualitative and quantitative terms of social outcomes, than to include them within a social cost-benefit analysis framework.”

<sup>39</sup> Harlock, 2014; Social Value Labs, 2012.

<sup>40</sup> Floyd, 2014.

<sup>41</sup> Including the UK Cabinet Office; Housing Providers including: Catalyst, Circle, Fusion 21, Genesis, Liverpool Mutual Homes, mhs Homes, Places for People and City South Manchester.

<sup>42</sup> HACT, 2014.

<sup>43</sup> Ibid, 2014.

<sup>44</sup> Centre for Local Economic Strategies (2017a; 2017b)

<sup>45</sup> Leighton and Wood, 2014; Metcalf, 2013.

<sup>46</sup> Inspiring Impact, 2013.

<sup>47</sup> Social Value Portal.

<sup>48</sup> Leighton and Wood, 2014.

<sup>49</sup> Halloran, 2017; Social Enterprise UK, 2015.

<sup>50</sup> Camden Council

<sup>51</sup> For example, Surrey and East Sussex (UK) worked with Social Value Portal to develop an evaluation framework (Social Value Portal 2016) and Camden Council worked with Triangle and New Economics Foundation. In the US, Democracy Collaborative worked with anchor institutions to develop a dashboard.

<sup>52</sup> Wales and HACT both offer training programs on measurement and evaluation.

<sup>53</sup> For example, Croydon, Thames and Richmond all suggest that during the contract management stage evaluation method statements be developed to outline how social economic and environmental benefits in tender will be delivered.

<sup>54</sup> This concern is also raised by Morgan, 2015.

<sup>55</sup> Evaluation approaches such as SROI are being used more widely, but can be subjective, resource intensive, and until now have lacked a set of comparable and objective proxies to calculate social impact. WVA measures the success of social intervention by how much it increased people’s well-being. Large national surveys are analyzed to isolate the effect of a factor on a person’s well-being. This data is used to reveal the equivalent monetary value needed to increase well-being by the same amount. It uses self-reported data of actual experiences. There has been considerable interest in Well-being Valuation as a pedagogy. In contrast, SROI uses financial proxies to value outcomes that are drawn from different places or through different methodologies. Results provide insight but require considerable resources, and comparisons between analyses are problematic. This has led to the perception that these approaches can be a poor fit for social housing providers, particularly where they are seeking to understand results of a wide range of different community investment activities. Large contractors needed evaluation methods that could be easily scaled up.

<sup>56</sup> The *Procurement Reform (Scotland) Act 2014* requires a contracting authority to review its procurement strategy annually. This can, for example, help a contracting authority maintain alignment of its procurement activity with its broader priorities and allow it to revise its strategy where necessary. The annual report on procurement activity in Scotland will contain, as a minimum, information about regulated procurements that have been completed, community benefit requirements that contracting authorities consider were fulfilled, and steps taken to facilitate the involvement of supported businesses in regulated procurements. It will provide an overview of public procurement activity in Scotland for that year. Within its annual procurement report, a contracting authority should also include a brief statement detailing the methodology used to review its regulated procurements.

<sup>57</sup> Social Value Lab, 2012.

<sup>58</sup> Leighton and Wood, 2014; Mullgan 2010.

<sup>59</sup> For example, Australia and the UK have implemented investment and contract readiness funds to support social sector organizations with conducting evaluation of their social impacts.

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- <sup>60</sup> Centre for Local Economic Strategies, 2015.
- <sup>61</sup> Arvidson and Kara, 2013.
- <sup>62</sup> Social Value Lab, 2012.
- <sup>63</sup> Harlock, 2014; Social Enterprise UK, 2015.
- <sup>64</sup> Beale 2014; Social Enterprise UK, 2015.
- <sup>65</sup> Beale, 2014.
- <sup>66</sup> Atkinson Foundation, 2016.
- <sup>67</sup> Harlock, 2013.
- <sup>68</sup> Centre for Local Economic Strategies, 2015; Mullgan 2010.; Social Enterprise UK, 2015.
- <sup>69</sup> US SBA; Procurement Reform (Scotland) Act 2014 also this challenge.
- <sup>70</sup> Arvidson and Kara, 2013; Harlock, 2014; Metcalf ,2013; Social Enterprise UK, 2015; UK Cabinet Office 2015.
- <sup>71</sup> Nichols, 2007; Revington et al., 2015.
- <sup>72</sup> Social Enterprise UK, 2015; UK Cabinet Office, 2015.
- <sup>73</sup> Atkinson Foundation, 2016.
- <sup>74</sup> Social Enterprise UK, 2014
- <sup>75</sup> Wilkinson and Kirkup, 2009
- <sup>76</sup> Social Enterprise UK, 2015, p. 1.
- <sup>77</sup> Beale (2014) explains, “the fundamental problem in setting agency goals is that procurement patterns vary so much from agency to agency. Agencies are not directly comparable, and using government-wide procurement goals as benchmarks is not very helpful under these circumstances.”
- <sup>78</sup> Harlock, 2014; Social Enterprise UK, 2015.
- <sup>79</sup> Morgan, 2015.
- <sup>80</sup> UK Cabinet Office, 2015; Woods and Leighton 2010. Moreover, most literature on the topic is grey literature and there is a need for more robust academic studies before best practices could be established (see Halloran 2017).
- <sup>81</sup> HACT, 2014; UK Cabinet Office, 2015.
- <sup>82</sup> Social Enterprise UK, 2015; UK Cabinet Office 2015.
- <sup>83</sup> Knowhow, 2012.
- <sup>84</sup> HACT 2014; Woods and Leighton, 2010.
- <sup>85</sup> Cleveland University Hospitals, 2013.
- <sup>86</sup> Woods and Leighton, 2010.
- <sup>87</sup> Mullgan 2010; Social Enterprise UK, 2015.
- <sup>88</sup> For example, Rowntree (2014, p. 30) suggests that “one danger of adopting a standard monitoring document that covers a range of potential social/community benefit requirements is that procurement teams may use this in drafting future specifications, leading to an overload of requirements! Value Wales emphasizes that its data collection form is a menu rather than a list of what should be included: procurement teams should consider what social/community benefits are appropriate for the contract to be procured and will deliver added value for the local community.”
- <sup>89</sup> Social Enterprise UK, 2015, p. 4.
- <sup>90</sup> For example, Leighton and Wood (2014) suggest that while “SROI may not be suitable for many social enterprises, the principles behind the SROI framework can be widely applied.”
- <sup>91</sup> Austrian et al., 2015.
- <sup>92</sup> <http://socialvalueportal.com>
- <sup>93</sup> Sutherland et al, 2015.
- <sup>94</sup> Cleveland University Hospitals, 2013. See also, Sutherland et al, 2015.
- <sup>95</sup> Baraket and Weisman 2009.
- <sup>96</sup> Wilkinson and Kirkup, 2009.