Social Value Policy

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## Introduction

This policy outlines i3Capital’s approach to social value measurement and management. Social Value in this context refers to the additional economic, social and environmental benefits developed and created by i3Capital outside of the direct purchase of goods and services both by and from the organisation. This is in accordance with the Social Value Act 2021 and Social Value Model within the UK.

The policy is in seven separate sections, each specifically addressing one of Social Value UK’s [Social Value Principles](http://www.socialvalueuk.org/what-is-social-value/the-principles-of-social-value/), and outlines how they will be incorporated into the way we run and review our activities. A list of key definitions can be found at the end of the document.

The contents of this policy will be reviewed annually by the i3Capital HR Manager on 02/09.

**Policy brief and purpose**

i3Capital’s social value policy outlines our commitment towards measuring and managing the social value our organisation is creating. We understand that this process is important for four reasons:

1. To be accountable to our stakeholders and ensure we take responsibility for the role we are playing in their lives.
2. To manage our activities to be able to maximise the social value we are creating.
3. To enable best practice as an organisation.
4. To reduce our assumptions about the way our activities create value through outcomes to stakeholders.
5. Continually learn and improve because of the commitments made in this policy

**Scope of the policy**

This policy applies to all public procurement activities within our organisation, including goods, services, and works contracts. It is relevant to all staff involved in the procurement process, suppliers, and contractors.

## Section One: Stakeholder Involvement

1. **Stakeholder identification**

i3Capital will create a list of stakeholders through consultation with knowledgeable staff and, if possible, with other stakeholder groups, such as direct beneficiaries.

The list of stakeholders will extend beyond a minimum of those stakeholder groups that are traditionally taken account of, for example funders, board, staff, government and intended beneficiaries.

This list will be reviewed by the Senior Management Team and i3Work’s board of directors annually and will look to incorporate stakeholders and significant sub-groups within each stakeholder group that may experience different outcomes to the rest of the group at large.

This list of identified stakeholders will be used to inform the frequency and extent of stakeholder involvement annually.

1. **Stakeholder involvement in defining outcomes**

i3Capital will ensure that our stakeholder involvement is:

* Complete regarding stakeholder groups  
    
  We aim to involve representatives from each of our stakeholder groups and sub-groups at least annually. If possible, this involvement will take place through focus groups, but we may also use surveys.
* Representative  
    
  Stakeholders involved in defining the outcomes will be representative of the group at large by accessing stakeholders on the grounds of a range of diversity criteria. This will include age, gender, socioeconomic background, extent of involvement in our organisation’s activities and area of work.  
    
  We will ensure the number of stakeholders we involve is appropriate for the level of decision, and that this sample is as representative of the wider stakeholder group as possible.
* Open-ended and unbiased  
    
  We will minimise bias in our questioning around potential outcomes but rather will ask stakeholders open-ended questions. This will enable them to define negative and unintended outcomes as well as the positive and intended outcomes they are experiencing.

## Section Two: Objectives

1. **Promote Economic Growth and Job Creation**

* Encourage procurement practices that stimulate local economies, create jobs, and support small and medium-sized enterprises (SMEs), social enterprises, and voluntary sector organisations.
* Prioritise contracts that promote upskilling, apprenticeship opportunities, and workforce diversity.
* Remove barriers to employment particularly for underrepresented groups, such as those who are in the most deprived areas or offering employment opportunities to those who serve or have served in our armed forces
* Creating employment opportunities within the communities that we work

1. **Improve Social Well-being**

* Ensure that public procurement supports projects that foster community cohesion, improve social equity, and address social inequalities.
* Prioritise suppliers who actively contribute to the well-being of disadvantaged or underrepresented groups.

**3. Environmental Sustainability**

* Ensure procurement decisions contribute to environmental sustainability by reducing carbon emissions, waste, and resource consumption.
* Encourage the use of environmentally friendly materials, energy-efficient products, and services that promote the circular economy.
* Prioritise suppliers with strong environmental policies that align with UK climate change targets and the commitment to net-zero emissions by 2050.

**4. Support Ethical Procurement Practices**

* Promote fair trade, respect for human rights, and ethical sourcing throughout supply chains.
* Ensure that suppliers meet ethical labour standards, including fair wages, safe working conditions, and freedom from exploitation or forced labour.

**5. Foster Innovation and Community Resilience**

* Encourage innovative solutions in procurement processes that support long-term community resilience, particularly in areas affected by economic and social deprivation.
* Support projects that enable local communities to build capacity, improve infrastructure, and increase access to essential services
* Partnering with charities and community organisations (nationally and locally) to support employment opportunities and environmental regeneration to meet local needs and on key themes to deliver additional community benefits
* Carrying out volunteering and other activities that deliver benefits to local communities and help to address local needs

## Section Three: Implementation

To deliver on the objectives outlined in this policy, our organisation will:

1. **Embed Social Value in Procurement Procedures**

* All tenders will include a social value element: suppliers will be required to outline how their delivery of contracts contributes to the defined social, economic, and environmental goals.
* A minimum weighting for social value will be applied to all procurement evaluations to ensure it is a meaningful part of the decision-making process.

1. **Supplier Engagement and Capacity Building**

* Work with suppliers to develop their understanding of social value and provide guidance on how to align their practices with the objectives of this policy.
* Host workshops and training sessions for suppliers, particularly SMEs and social enterprises, to help them understand and meet social value requirements.

1. **Monitoring, Reporting, and Evaluation**

* Establish clear metrics and key performance indicators (KPIs) for tracking social value outcomes in all contracts.
* Require regular reporting from suppliers on social value delivery and use this information to evaluate the success of procurement processes in achieving the policy’s goals.
* Implement a feedback mechanism to continually improve the incorporation of social value in procurement.

**4. Governance, Measuring and Reporting**

The responsibility for ensuring compliance with this policy lies with the procurement team and department heads. Annual reviews will be conducted to ensure that the policy remains aligned with the UK Government’s Social Value Act 2021, The Procurement Reform (Scotland) Act 2014 and The Wellbeing of Future Generations (Wales) Act 2015.

* By embedding social value principles into procurement processes, we aim to maximize the positive impact on communities of public spending and promote sustainable development, and evolves in response to changing economic, social, and environmental conditions.
* Maintaining clear accountability for delivering this policy
* Monitoring and reporting our social value impact by using recognised independent methodologies
* Continuously improving our standards, efficiency, and effectiveness.
* We will communicate this policy to our employees, supply chain partners and relevant interested parties on an annual basis

## Section Four: Understanding change

1. **Understanding change**

i3Capital will ensure that our approach to understanding change is:

* Outcomes-focused rather than objectives-focused  
    
  We will involve our stakeholders by asking them open-ended questions about changes they experience. We will allow time and space for stakeholders to discuss all outcomes that they experience including positive and negative outcomes and intended and unintended outcomes.  
    
  We will not take an objectives-focused approach to understanding change because this provides a narrow view of the outcomes that we play a part in creating. This is mainly because it is more likely to be driven by an organisational rather than stakeholder view of change.
* Emphasising causality  
    
  For each main stakeholder group, we will have some evidence behind the causal links between our inputs, outputs and outcomes. This may involve reasonable judgements around logical conclusions and be reinforced by stakeholder data or external research.
* Identifying indicators  
    
  For each outcome that we decide to manage, i3Capital will identify indicators that enable us to measure whether these outcomes are occurring, and how much of these outcomes are occurring.4

## Section Five: Value the things that matter

1. **Valuing inputs**

To gain an understanding of the efficiency of our investments, we will develop an understanding of the inputs, or time and resources, that are required to deliver activities included within the scope of this policy.

This understanding will arise from considering all types of investment, including aspects that are not conventionally monetised, such as volunteer hours.

1. **Understanding the relative importance of the outcomes for all stakeholder groups**

For each stakeholder group, i3Capital will build an understanding of relative importance for the outcomes that we decide to measure / report on.

We will do this using one or both of the following methods5:

1. Asking each stakeholder group directly to indicate which outcomes are most important to them, either through weighting or ranking the outcomes, or associating them with monetary values through a valuation method.
2. Conducting research to estimate values for each outcome, then verifying these estimations through asking stakeholders whether they are a reasonable representation of their views on outcomes values.

## Section Six: Only include what is material

**Consider the additional details associated with our outcomes**

For the outcomes that we have chosen to measure / report on, we will estimate and collect the following supporting information:

|  |  |
| --- | --- |
| Quantity | How many in each stakeholder group are experiencing these outcomes? |
| Duration | How long are these outcomes lasting for, according to stakeholder experience? |
| Causality | How strong is the causal link between i3Capital’s activities and the outcome? i.e. what are the deadweight and attribution values? |
| Value | How important is the outcome? |

This above information, when considered in full, helps us understand whether an outcome is significant and is material to decisions.

There may be outcomes that we consider relevant, even though they are not significant. We will ensure these are still included in the analysis.

If possible, this information will be collected through asking stakeholders directly about their first-hand experiences.

## Section Seven: Do not over-claim

1. **Understand approximate duration for key outcomes**

i3Capital will ask stakeholders or use external research to help estimate the duration of outcomes we manage.

1. **Understand deadweight for key outcomes**

i3Capital will ask stakeholders or use external research to help estimate deadweight for the material outcomes, i.e. what would have happened if the stakeholders had not been involved in i3Capital and questioning whether they would have experienced some degree of the outcomes, and if so, to what degree.

1. **Understand attribution for key outcomes**

i3Capital will ask stakeholders or use external research to help estimate what other organisations have contributed to the changes that our stakeholders are experiencing, and how much of the outcomes are down to us rather than the other organisations.

## Section Eight: Be transparent

**Be transparent**

i3Capital will be clear in both internal and external reports on the scope of our impact analysis and which activities we are analysing.

We will also clearly outline the timescale, audience and purpose of the analysis.

We will endeavour to include links to any external research we are referencing, and clearly explain our rationale for all judgements and decisions that we make.

## Key definitions

For the purposes of this document, the following definitions are used:

**Attribution**: an assessment of the amount of change caused by the contribution of other organisations or people.

**Deadweight**: an assessment of the amount of change that would have happened even without the intervention of i3Capital.

**Material**: the characteristic of something being relevant or significant to i3Capital and our activities and future decision making.

**Outcome**: a change, positive or negative, that a stakeholder experiences as a result of an activity. Outcomes usually fall into one of five categories: a change in circumstance, behaviour, capacity, awareness or attitude.

**Stakeholder**: individuals or organisations that experience material outcomes as a result of our activities.

Murray Simpson i3NetZero Director

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