

The business case for social value

Adam Jackson

Director, Public Affairs, Policy & Insights



Grant Thornton UK LLP

We work with:

Businesses (large and small)



56%

Advising over half
of the FTSE 100

Leading independent nominated adviser
to AIM listed companies

The public sector



>50%

Working with
over half of local
authorities and
the NHS

The largest provider of audit and related
services to the sector

Not-for-profits



1000+

NFP clients

Working with universities, charities,
housing associations and colleges

With a combined workforce of over six million people

Our purpose



Sacha Romanovitch
CEO, Grant Thornton UK LLP

“Our purpose of shaping a vibrant economy acts as a call to action, challenging us each day.

“It drives who we work with, what we do for them, what we speak out on and how we act as a business.

“The three areas in which we believe we can make the most impact and deliver our purpose are:

- building trust and integrity in the market*
- unlocking sustainable growth in dynamic organisations*
- creating an environment where businesses and people flourish.”*

UN SDGs



SDGs: People and culture



“Grant Thornton offers a range of apprenticeships, from entry level to MBA, as we believe they present our people and our business the opportunity to develop the right skills for the future.”

Stephanie Hasenbos-Case, Partner

grantthornton.co.uk

Generation Apprentice



SDGs: Vibrant local economies



Cross sector collaboration to identify local action for a vibrant economy:



Over 1000 participants

With leaders from businesses, entrepreneurs, the public sector and NFPs.

By initiating Live Labs in seven cities across the UK

Live Labs bring communities together to collectively suggest practical steps to address the big issues affecting their region.

- Sheffield
- Reading
- Manchester
- Leeds
- Bristol
- Cambridge
- Birmingham



Vibrant economy index

We believe that our economy should benefit society as a whole taking into account not only financial growth and economic return within an area, but also a wider set of characteristics. Our Vibrant Economy Index measures 324 English local authority areas across six baskets of socio-economic indicators, to provide an indication of the vibrancy of the area.

The six baskets of the Vibrant Economy Index



Prosperity

We have an economy that is producing wealth and creating jobs.



Dynamism and opportunity

Our economy is entrepreneurial and innovative, with skill sets that can drive future growth.



Inclusion and equality

Everyone benefits from economic growth. The gap between richest and poorest narrows, regional disparities reduce and there are opportunities for all.



Health, wellbeing and happiness

People are healthy and active, leading fulfilling lives which provide individual prospects.



Resilience and sustainability

Our economy has a neutral impact on the natural environment and our built environments are resilient places we want to live in.

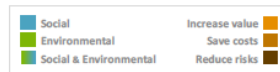


Community, trust and belonging

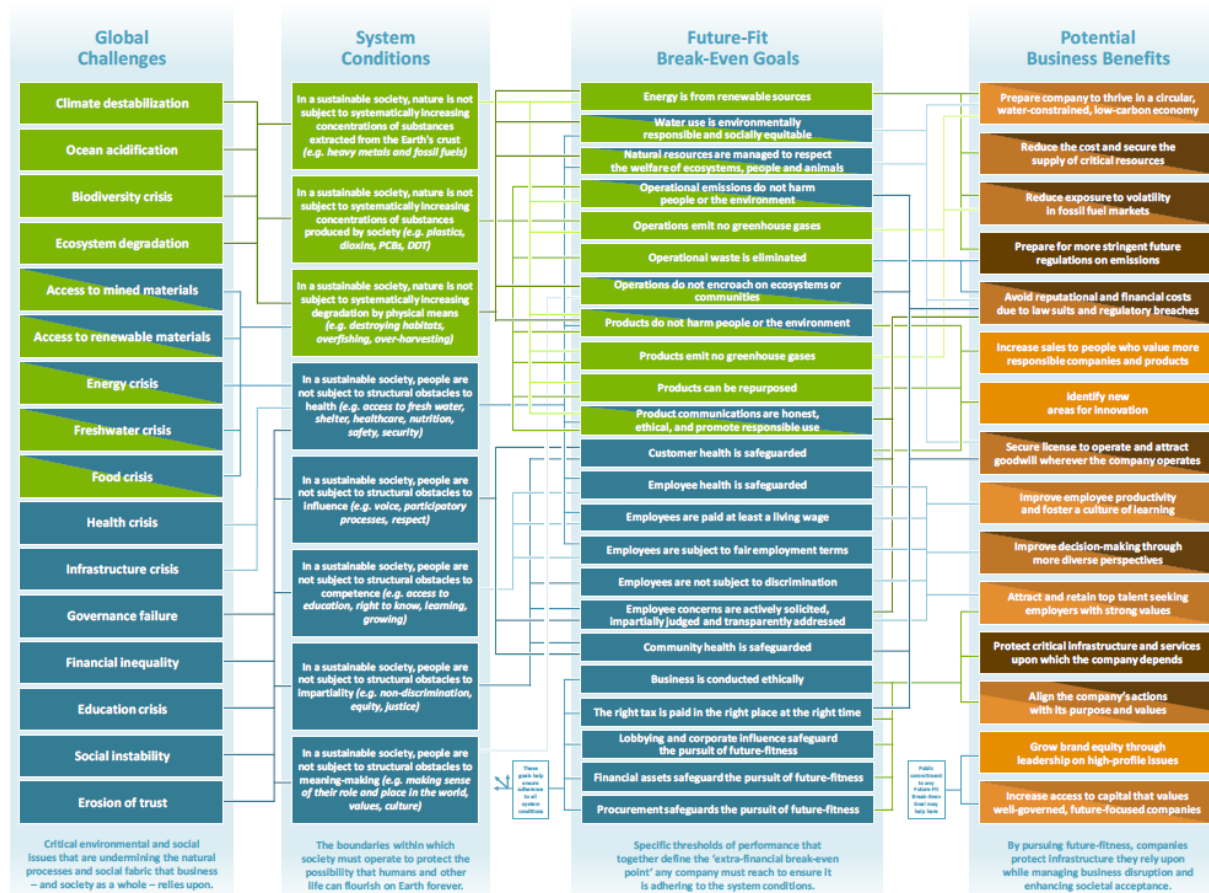
Vibrant communities have a lively and creative cultural life, and a clear identity that all its people are proud of.



Applying SDGs in corporates



From global challenges
to business benefits



Copyright © 2017, Future-Fit Foundation

FutureFitBusiness.org



‘Good growth’: Steps to good business

Purpose	Understand and define what your business does today and why you do it	Work with your people to define your purpose based on step one, what you want to do in the future and the impact you seek to have	Align what you do, how you do it and who you work with to your stated purpose
Profits for prosperity	Innovate by seeking solutions to societal and environmental challenges	Invest for the future and build shareholder returns and employer rewards around long term performance	Structure your business to pay taxes at the right time, in the right place of the right amount
People	Recruit from diverse backgrounds at all levels of the business	Give everyone the opportunity to develop skills and progress	Give your people responsibility and a say in the running of the company
Place	Create jobs and opportunities locally	Support local business, communities, services, infrastructure and suppliers	Collaborate with others to unlock growth in your local economy
Planet	Understand and measure your impact on society and the environment	Minimise any negative impacts your operations or supply chain have on the environment.	Seek to maximise your positive impact on the environment, for example through generating renewable energy

What good looks like

Purpose	You have a clearly articulated purpose which delivers value for your business, people, place and planet	What you do and who you work with is aligned to your stated purpose	All of your people are engaged with your purpose and understand their role in bringing it to life	You report transparently on your strategy and performance against your purpose and strategic targets
Profits for prosperity	Superior sustainable results	Pensions invested in responsible funds	Tax is paid in the right place at the right time and of the right amount	Increasing % of your profits are from products and services which have a positive impact
People	All your people are paid a living wage	Highly engaged and motivated workforce	There are opportunities for all that foster innovation, leadership and accountability	Your business attracts and retains talent because they feel aligned to your values and purpose
Place	Stronger, more resilient local economy	You play an active role in local communities through education, infrastructure, entrepreneurship, health and finance	You actively seek and respond to feedback from you local stakeholders	Improved Vibrant Economy Index score in the areas where you operate
Planet	100 % of your energy is sourced from renewable sources	Your business is zero carbon and you are part of the circular economy	All materials are sourced from ethical suppliers	You report transparently on your environmental, social and governance (ESG) performance

Extending social value to our supply chain



June 2016



**VIBRANT
ECONOMY**
Manifesto

Make profits with purpose the new normal

Fully utilise the **Social Value Act** and public procurement to ensure all government contracts are with businesses that actively make a **positive contribution to society**

#VibrantEconomy

grantthornton.co.uk/VEmanifesto

UK National Advisory Board on Impact Investing

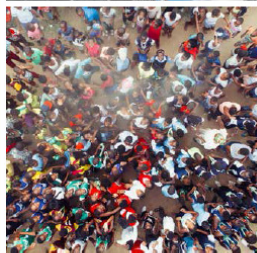


Report of the UK National Advisory Board on Impact Investing

THE RISE OF IMPACT

Five steps towards an inclusive and sustainable economy

October 2017



Recommendation 3.1:

Central and local governments should embed social value (SV) in every tender decision, aiming for a minimum weighting of 20%. When the suitable price for a good or service is known based on prior contracts, central and local Government should disclose their intended budget and specify that tenders will be evaluated based on social value and quality

This should be achieved through three channels:

- Department of Culture, Media & Sport (DCMS) should issue revised statutory guidance stating that SV must be accounted for versus “considered” (the current requirement under the Social Value Act)
- Treasury should announce its recognition of SV as critical to effective procurement
- The Crown Commercial Service (CCS) should include SV in all its procurement frameworks

To further support this change, the procurement and commissioning best practices outlined in this report should be championed, disseminated and utilised by all government bodies, including CCS and regional procurement bodies:

- Government should offer training and networking sessions for suppliers to help them better articulate their social value offering when bidding for public sector contracts
- Suppliers should proactively integrate social value into their good/service offerings, taking steps to understand the procurer’s social value priorities
- Local pioneers who already use these practices should be recognised and celebrated by central government

What next?

Our Money, Our Future - Chris White's review of the impact of the Social Value Act, for Social Enterprise UK:

“We estimate social value is already shaping £25bn worth of public sector spend - delivering training, improving the environment, supporting charities, helping people with disabilities into work, employing ex-offenders, tackling homelessness, reducing food waste and more.

“In short, the taxpayer is getting more for their money. Yet the Act is still only scratching the surface of what is possible. The public sector spends around £268bn annually. Extending the Act to cover all public-sector spending would generate more than ten times its current impact.”