# Social Value and Procurement Phases: A Study of Municipal Procurement in London Boroughs

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Abstract

The need to boost economic, social, and environmental outcomes has sparked increased interest in leveraging public procurement policies to achieve these objectives. In the UK, the enactment of the Public Services (Social Value) Act 2012, alongside the Public Contracts Regulations (2015), mandates public bodies to consider social value (SV) in procurement processes. Scholars have also increased their studies of SV from different contexts. Notwithstanding the growing interest in the importance of SV and its increasing recognition, scholars and public sector procurement alike seem to have almost extensively given more attention to the pre-procurement process, leaving a dearth of empirical research on the sustainability of SV post-procurement. Furthermore, the literature suggests a variety of SV interpretations that influence the understanding and practice of SV.

This study adopts a service-oriented perspective, conceptualising SV as a co-created service rather than a value to society. To support this, the study adopts a triadic perspective to establish a representation of SV actors.

Utilising an embedded single-case design and interpretive approach, the research engages councils within London Borough and their suppliers involved in SV procurement and delivery as the case participants. The SV policy statements of each council within the case were also collected and analysed, in addition to interview data, to enable comparability across councils. The theoretical frameworks of transaction cost economics and diffusion of innovation inform the examination of SV procurement practices.

Findings highlight some factors relevant to understanding the SV concept, and a comparison of academic and case definitions of SV confirmed the disparity in SV interpretation. Using the common phrases found from both sources, the study proposed a definition of SV, reflecting empirical and theoretical views of the concepts. Data further suggested different approaches to municipal procurement of SV, which the researcher described as prescriptive and collaborative approaches. Comparing the interview data with the SV policy statement, it was found that most of the policy intentions to embed SV in the procurement process do not align with its practice.

This research substantially contributes to understanding how SV is integrated into and delivered through municipal procurement. It compares academic and practical definitions of the concept, creating a unified

definition that synthesises theoretical and real-world interpretations of SV. By identifying and categorising the different approaches to SV delivery, the study brings to the surface the implication of these approaches on SV needs identification and delivery.

Using the theoretical lens of diffusion of innovation theory and transaction cost economics, the study examines real-life procurement practises in embedding SV across procurement phases; it confirms the focus on the early phase of the procurement process and uncovers challenges faced by both the buying organisation and suppliers in fulfilling SV commitments. By identifying these challenges, the study provides areas for improvement based on insights from the theories. It also proposes a social outcomes procurement process to offer concrete steps to better embed SV in procurement activities, making SV more visible in often neglected phases in the procurement process.

Overall the study provides valuable insights and practical recommendations to support SV and procurement actors enhance the achievement of SV outcomes in municipal procurement.

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1 Introduction

Taking a service and lifecycle perspective on SV delivery, this thesis investigates the adaptation of municipal procurement processes to incorporate and sustain SV throughout and beyond the procurement process. This introductory chapter provides the background and rationale for embarking on the research, introducing the research aims and questions and justifying their relevance. Furthermore, it summarises the study's contribution to theory and practice, followed by an outline of the methods, thesis structure, and conceptual representation of the research.

1.1 Background and Rationale

Public, private, and third-sector organisations have created value in diverse ways for many years. However, the private sector's economic value has dominated, prioritising shareholders' interests (profit maximisation) (Freudenreich *et al.*, 2020). Over the last two decades, organisations have been increasingly urged by stakeholders to act in a socially responsible way and to minimise their adverse impacts (Iglesias *et al.*, 2020). In response to such stakeholder pressure and the desire to manage risks, some organisations have seen adopting CSR as a means to meet their broader responsibilities to society and the environment. (Walsh and Beatty, 2007). Nevertheless, organisations in different sectors are expected to go beyond CSR to create value for society and create an inclusive and sustainable atmosphere. (Szabó and Krátki, 2018).

The public sector is increasingly interested in actively providing value, prioritising social over economic value. For example, the UK government enacted the Public Services (Social Value) Act 2012, which states that: 'All public bodies in England and Wales are required to consider how the services they commission and procure might improve the economic, social, and environmental well-being of the area.'(Public Services (Social Value) Act, 2012). Also, all major UK procurements covered by the Public Contracts Regulations (2015) should explicitly evaluate SV where appropriate, considering additional social benefits that can be achieved in contract delivery.

Such government initiatives reinforce the importance of SV and the need to ensure that it is adequately captured and delivered throughout the procurement contract period. Notwithstanding the importance of such initiatives, consideration should be given as to whether the inclusion of SV in procurement policy guarantees the delivery of sustainable SV. While making a distinction between stated intentions and

outcomes, Acs et al. (2013) observed that an intention to create SV can be expressed as a goal, but that does not necessarily lead to SV creation (SVC), and SV can also be created without it being stated in a mission. This implies that having SV as a goal is not enough to guarantee SV creation or delivery. Hence, there is a need to explore how SV is effectively captured, managed, and delivered throughout and beyond a public procurement process.

1.2   The Rationale of the Research

Although there is a growing interest in SV literature, indeed, extant literature procurement (Caldwell et al., 2017; Daniel & Pasquire, 2019; de Beer, 2018; Kroeger & Weber, 2014; Lashitew et al., 2022; Loosemore et al., 2021; Sinkovics & Archie-Acheampong, 2019; von Jacobi et al., 2023) has paid attention almost exclusively to SV creation across a range of contexts, including procurement context. The SV procurement literature appears to focus mainly on SV definition and creation, with much less focus on addressing how SV is effectively embedded in the procurement process to facilitate its delivery and on what happens to SV at the end of the procurement process. A preliminary literature search was conducted to gain insight into how much literature exists about this phenomenon. Although a range of literature exists on SV and procurement, there seems not to be much literature on embedding SV in procurement, as most queries returned few to no results (see Table). Apart from theoretical discussions, the practical implementation of SV appears to be prominent mainly in the procurement contract creation and letting phase in public procurement, as shown in the UK context (discussed in the background and rationale sections and the literature review chapter).

As interest in SV grows, the advantages of incorporating it into procurement processes are becoming more evident. Given that procurement has a process that is critical to effective and efficient procurement function (Malacina et al., 2022; OECD, 2019), Understanding how SV is incorporated into the procurement process – not only to facilitate effective delivery but also to determine its sustainability beyond the main contract procurement – would be valuable both in theory and in practice. Given the prevailing focus of both practical and academic attention, there seems to be little empirical scholarly information on the following: 1. On how SV is embedded in the public procurement process at the municipal level; 2. The procurement actors' approach to delivering SV through procurement and the effect of the approach on SV delivery; 3 The impact

of the life cycle on SV, specifically on identifying what happens to SV at the beginning and at the end of a contract to which it is associated; 4. How, if any, is the embedded SV sustained throughout and beyond the procurement contract it is associated with? Considering both practical and theoretical works on SV, the researcher posits that SV research has been very theoretical and focused on the early procurement stage. Hence, this research adopts a service perspective to SV and investigates how it (SV) is procured in practice. Consequently, the research concentrates on the 'down to earth or nitty gritty' municipal level of delivering SV through procurement. That is, examining the SV procurement activities of local councils within London boroughs. The research process also involved an examination of the role of the procurement process, mainly the beginnings and endings, to learn how effective and sustainable the management and delivery of SV through procurement contracts is. Therefore, the study will include buyers of SV (mainly local councils) and providers of SV (the Councils' suppliers).

This research aims to contribute to both practical and theoretical knowledge of SV delivery through procurement by addressing the concerns highlighted within the background and rationale section, which are also reflected in the research questions and aims. The research draws on relevant state-of-the-art literature and empirical data and employs an embedded single-case design and interpretive approach. The case is based on the public procurement sector of the London Borough Councils (please see more details in the methodology in Chapter 3). To clarify things, what this research aims to achieve and the questions it attempts to answer have been stated below.

1.3   Research Questions and Aims

1.3.1   Research Questions (RQ)

Due to the nature of the research and to gain more insight into the study, an overarching RQ was designed, with further RQs being put into subcategories.

Main RQ: How can procurement adapt to Social Value (SV) contracting?

RQ1 What is the real-world interpretation of SV (our proxy for the real world being municipal procurement in the boroughs of a major city), and how does it align with academic definitions?

RQ 2 How is SV procured and embedded in the procurement process?

RQ 2.1 How easy or difficult is it to contract for SV delivery through procurement?

RQ 3 How do the beginnings and endings of procurement contracts affect the associated SV?

RQ 3.1 How is SV delivery captured beyond the associated procurement contract?

1.3.2   Research Aims

The research attempts to explore the following:

1. The empirical and theoretical interpretations of SV
2. The approach in which SV is procured and how the buying organisations integrate it throughout the procurement process.
3. The effect of the participating actors' approach on SV delivery through procurement
4. The possible long-term delivery of SV throughout and beyond the procurement process of the attached contract.

By achieving these aims, this study will provide more insight into:

1. How SV is interpreted both conceptually and empirically;
2. How SV is, in practice, embedded in the procurement process; and
3.   The sustainable nature of its (SV) delivery through procurement.

1.4   Research Contribution to Knowledge and Practice

This research makes significant contributions to the theoretical understanding and practical application of embedding SV into municipal procurement processes to enhance sustained and effective SV delivery.

Firstly, the study uncovers crucial factors influencing SV perceptions and delivery, providing a deeper insight into SV delivery dynamics and aiding informed decision-making by procurement actors.

Additionally, it provides a definition of SV that harmonises academic and practical SV definitions, establishing a unified framework to bridge theory and practice in procurement contexts.

The study also identifies and categorises the approach to SV delivery as prescriptive and collaborative. It applies two theories as theoretical lenses to analyse the data and offers practical guidance through scenario frameworks proposed for effective implementation. By focusing on SV integration within procurement, the research uncovers discrepancies and challenges in SV delivery, offering insights into policy implementation gaps and proposing solutions grounded in the diffusion of innovation and transaction cost economics theories.

Furthermore, the research proposes a social outcome procurement process to make SV visible in neglected procurement stages, thereby enhancing SV embedding and outcomes. It concludes by providing actionable recommendations to overcome barriers associated with SV delivery in procurement, thus advancing both theoretical knowledge and practical implementation in municipal procurement contexts.

In essence, the study contributes to a comprehensive understanding of SV embedding in municipal procurement processes, providing insights and recommendations to improve SV outcomes in practice.

These all add to the research's contribution to the sustainable management and delivery of SV in procurement contracts.

1.5   Structure of the Thesis

This thesis covers six main chapters, starting with Chapter 1, which introduces the research, covering the background, rationale RQs, and aims of the study. It further reveals a brief introduction of the subsequent five chapters below:

Chapter 2

Chapter 2 reviews relevant literature on this research project's key concepts. It begins with a review of the concept of value to understand its meaning and establish a foundation for the subsequent discussion on SV.

The review sitautates SV within the service and process/lifecycle perspective. Following this, the chapter examines the literature on contracts, given that most, if not all, procurement activities rely on contractual agreements to ensure its delivery. Next is the literature on procurement, capturing the interpretations and the processes. These reviews laid the foundation for the subsequent topic of social procurement, touching on the UK SV policy and framework as they are relevant to this research. The section also presents the research's proposed procurement process capturing SV in key phases based on the reviewed literature. Also embedded in the chapter are the researcher's several scenario frameworks about SV need identification and delivery based on deductions from the literature. Furthermore is the review of theoretical underpinnings on which this research draws. The theories reviewed are transaction cost economics (TCE) and diffusion of innovation (DOI) theory. Finally, the conceptual framework integrates critical concepts and theories.

Chapter 3

Chapter 3 discusses the methodology, encapsulating a critical evaluation of the literature on the philosophical underpinnings and research designs. The chapter then identifies and justifies the chosen methodology for this research. An interpretivism stance and case study strategy have been used for this qualitative research design. Finally, this chapter presents the data collection and analysis techniques used for the research.

Chapter 4

Chapter 4 reports the data analysis and findings based on empirical qualitative data collected from participants' interviews and secondary data from the case participants' SV policy documents.

Chapter 5

Chapter 5 discusses Chapter 4's findings, arching back to the theoretical underpinnings of Chapter 2. It draws on and explores the interaction between the empirical data, the literature review, and chosen theories. This chapter identifies the contributions to the body of knowledge on embedding and delivery of SV through procurement.

Chapter 6

Chapter 6 briefly summarises the key activities and findings of this research and presents recommendations

for the practical execution of SV through procurement, directions for future research, and limitations.

1.5.1 Conceptual representation of the key phases of the research

Figure 1.1 A conceptual representation of the research's key phases. Adapted from Di Maddaloni and Davis 2017, and Babaei et al. 2023.
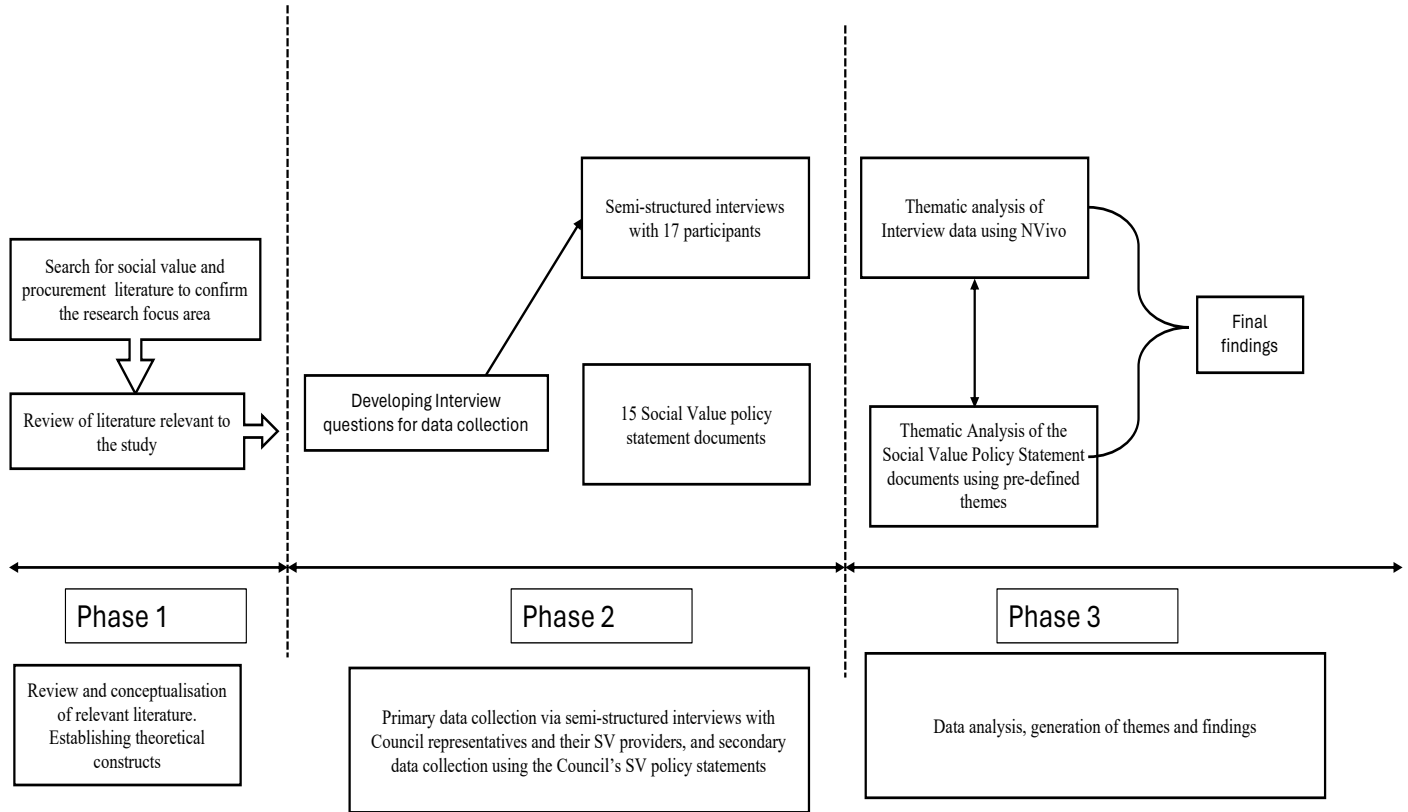
1.6 Chapter Summary

This chapter serves as the introductory section of the thesis, offering the background and rationale for the research. It indicates relevance to theory and practice in embedding SV in procurement contracts to facilitate effective delivery. The overarching research questions, as well as the sub-questions, were presented, including the aims that this research attempts to achieve. Further, this study makes contributions to the knowledge and practice of SV delivery through procurement. The chapter then concludes with an outline of the structure of this thesis, presenting each chapter and a brief statement of its contents. The next chapter will review the literature relevant to this research. To restate, this research investigated how effective the integration of SV into the municipal procurement process is in an attempt to bridge theory and practice for enhanced and sustainable SV outcomes.

2   Literature Review

This chapter marks the beginning of phase 1, depicted in Figure 1.1. It discusses the key literature essential for comprehending the study's context, including the researcher's exploration of literature to establish its relevance and consequently contribute to the ongoing discourse in the field.

2.1   Introduction

Different academics have grounded social value and, to a lesser extent, its deployment in various theories. Also, there is little empirical scholarly literature addressing the integration of SV in the procurement process as Table exhibits. To contribute to SV and procurement discourse, this chapter of the thesis evaluates this work and suggests the theoretical underpinning best suited to this exploration of SV in practice. To facilitate the execution of this research, it is essential to review existing literature relevant to understanding the key constructs of this study. As the study explores the efficacy of integrating social value (SV) into the municipal procurement process, the chapter begins with a review of critical efficacy concepts (i.e., contracts and contract procurement) followed by the concept value as a foundation towards the review of SV. Then, the theories applied to the study are also explored.

Table 2-1 Literature Boolean search about embedding social value (SV) and procurement

Web of Science - (All fields)		
No	Query	Result/comment
1.	'Social value' AND 'embed' AND 'procurement'	No result
2.	'Social value' AND 'embedding' AND 'procurement process'	No result
3.	'Social procurement' AND 'embedding' AND 'procurement cycle'	No result
4.	'Social value' AND 'procurement'	79
5.	'Social value' AND 'public procurement'	23
Web of Science - (Abstract)		
No	Query	Result/comment

	1.	'Social value' OR 'social procurement' AND 'embed' OR 'integrate'	81– searched abstract, filtered to articles. Reviewed topics, but none appears to fit embedding SV in pub procurement.

Web of Science - (Topic)

No	Query	Result/comment
2.	'Social Value' OR 'social procurement' AND 'embed' OR 'integrate' AND 'public procurement'	No result. Searched topic
3.	'Social Value' OR 'social procurement' AND 'embed' OR 'integrate' AND 'procurement'	1

EBSCO Business source complete – (All fields)

No	Query	Result/comment
4.	'Social value' AND 'embed' AND 'procurement'	No result
5.	'Social value' AND 'embedding' AND 'procurement process'	No result
6.	'Social value' AND 'embedding' AND 'procurement cycle'	No result
7.	'Social value' AND 'procurement'	82
8.	'Social value' AND 'public procurement'	26

EBSCO Business source complete – (Topic)

No	Query	Result/comment
9.	('Social Value' OR 'social procurement') AND ('embed' OR 'integrate') AND 'procurement'	1

Table   presents the researcher's search for literature to not only identify existing literature but, most importantly, to justify the thesis's contribution to literature addressing the integration of SV in the procurement process from a practical perspective. Having established this point, the next sections review

the literature relevant to this study, starting with the concept of value to lay a foundation for the review and understanding of SV.

2.2   The Concept of Value

The term value is widely employed across various disciplines, each with its own interpretations. (Zuluaga *et al.*, 2021). According to the authors, in disciplines like philosophy, sociology, and psychology, it refers to the desirable end-states or qualities individuals or groups may consider valuable, such as happiness or justice (Brown, 1984; Ives & Kendal, 2014). Conversely, in fields like economics or engineering, 'value' is often quantified and used in decision-making processes based on measurable criteria. In these contexts, value represents the estimated worth of an object or place to an agent or the method used to determine this worth (Brown, 1984; Rawluk *et al.*, 2019). These diverse interpretations have, consequently, resulted in a lack of consensus on a universal definition of the concept among individuals and groups (Grönroos, 2011, 2017; Zuluaga *et al.*, 2021). Notwithstanding the challenges in defining value, some authors' interpretation of the concept will be highlighted to aid understanding of the concept. According to Francis *et al.* (2014, p. 6586), value is unarguable, 'the cornerstone of contemporary production system and supply chain construct', echoing views expressed by Clark (1915), who emphasised the significance of value, stating its pivotal role in modern economics. Furthermore, Francis *et al.* (2014) further elaborate that within the realms of marketing and production-oriented disciplines such as purchasing, logistics, and operations management, the understanding of value is shaped by theories originating in economics, particularly those explaining the exchange value (price) between transacting parties—buyers and sellers (Francis *et al.*, 2014, p. 6577). Despite the popularity of this concept, the authors found that due to the issue of pronounced different interpretations of the concept within the academic literature, there is an inadequate definition of value within the fields of study considered in their research (operations management, supply chain management, Logistics and Marketing). Similarly, Sánchez-Fernández and Iniesta-Bonillo (2007) explained that value is subjective, and there is a range of perspectives on how value is seen and created because it is comparative, personal, and specific to the context (p. 439).

Alder (1956, p. 272) posited that while interpretations of value may vary, it can generally be classified into four basic types:

1. Values which are regarded as absolutes, existing as eternal ideas in the mind of God or as independent validities.

2. Values that are perceived to be intrinsic to objects, whether material or non-material.

3. Values seen as inherent in humans stemming from their biological needs or cognitive processes. Whether viewed individually or collectively within groups, societies, cultures, states, or classes, humans are considered the carriers of values.

4. Values that are associated with actions.

Mixed types of value also exist, as outlined by Mahajan (2017), who defines value as the generation of good to enhance well-being and worth for ourselves and others. It represents the equilibrium between effort (referred to as input in some instances) and outcome. Value is deemed generated when the perceived effort is outweighed by the perceived outcome and diminished when the opposite holds (Mahajan, 2017). According to Kähkönen and Lintukangas (2012), the value chain logic of Porter (1985) laid the foundation for a traditional approach to value creation. However, criticisms arise regarding its activity-centric structure, limited customer perspective, and neglect of inter-firm connections (Kothandaraman and Wilson, 2001). This critique suggests that to create value, all networks contributing to the process and output enhancement should be considered. Thus, to optimise value creation, all networks contributing to the process and output enhancement must be considered. Supply management, a vital component of the value chain, is highlighted by Kähkönen & Lintukangas (2012) for its role in sourcing suitable suppliers and efficient procurement methods. Cousins *et al.* (2008), drawing on Butler's (1995) research, further emphasises the potential of purchasing activities, such as supplier relationship management and contract negotiation, to enhance organisational value (Cousins *et al.*, 2008, p. 151). This further supports the view that value creation involves more than one party or actor, and its success depends on the ability to manage the networks.

From a resource-based perspective, value manifests in two distinct forms: use value, also known as value-in-use, and exchange value (Barney, 1991). Use value encompasses what customers perceive as valuable or their willingness to pay, while exchange value represents the monetary worth obtained through the sale or exchange of goods (Howell *et al.*, 2018). Building on this notion, Grönroos (2008) asserted that exchange value hinges on resources to facilitate the realisation of customers' value-in-use. According to the service-dominant logic (SDL), value is collaboratively co-created through interactions between suppliers and

customers (Lusch *et al.*, 2016; Vargo and Lusch, 2008). Therefore, value co-creation occurs when suppliers and customers interact to generate mutual benefits (Grönroos & Helle, 2010; Grönroos & Voima, 2013). The SDL perspective posits that value is co-created by multiple actors rather than being solely the domain of a single actor (Vargo & Lusch, 2004, 2008; Prahalad & Ramaswamy, 2004). Top of Form Chandler and Vargo (2011) elaborated on the context in which value co-creation occurs based on the number of actors involved. These relationships were categorised as dyads (two actors engaged in service-for-service exchanges), triads (three actors), and complex networks. According to Mahajan (2017), the actors, whether individuals or institutions, seek value for themselves and their constituents. In this context, value co-creation, as described by Galvagno and Dalli (2014), can be viewed as a collaborative endeavour to develop products, services, or systems. However, studies such as those by Di Maddaloni and Davis (2018) reveal low engagement of local communities, particularly in mega projects, which often lack a people-centred vision, resulting in offers of SV that do not meet the needs of the local community. According to the authors and in agreement with Flyvbjerg (2014), decision-making in such projects tends to prioritise technological, political, economic, and aesthetic considerations rather than the genuine needs of society. This lack of community engagement results in social disruptions and excludes those most impacted by mega projects from the decision-making process.

Recognising the significance of collaboration and networks in value creation, it becomes crucial to effectively establish and manage these relationships to ensure ongoing value creation and maintenance. Therefore, investigating social value procurement requires a broader perspective that includes not only collaboration between the buying organisations and suppliers (also referred to as providers [of SV] in this thesis) but also active involvement of communities specifically in identifying the SV needs.

2.3   Social Value

According to Jain et al. (2019), the term 'social value' was introduced by Schumpeter (1908) to denote the value assigned by society to 'things' whose exchange differed from economic market prices. The SV concept has been subject to diverse interpretations due to varying understandings and practices among individuals and organisations (Dayson, 2017). Consequently, SV is viewed as relative, reflecting the societal perception of value at a particular time. Jain et al. (2019) also highlighted the variety in defining

SV, noting that contributing factors also include the use of diverse and interchangeable terms such as SV added (SVA) and additional SV (ASV) (Teasdale *et al.*, 2012), as well as introducing inconsistency in the use of metrics for SV measurement. Some of these definitions have been laid out in the following paragraph to offer insight into the various interpretations of SV aimed at aiding the comprehension of the concept.

Barraket and Loosemore (2018) viewed SV as creating public value through cross-sector collaboration (sharing resources, expertise, and knowledge). Similarly, Weber *et al.* (2017 p. 933) defined the joint (which was also referred to as social) value created through inter-organisational relationships as the sum or entirety of benefits derived from combining or exchanging core competencies and resources relative to costs, irrespective of who appropriates the value. Felício, Martins Gonçalves, and da Conceição Gonçalves (2013) characterise SV as the provision of necessary goods and services by organisations with social purposes aimed at promoting community development and advocating for more inclusive and fairer policies or dealing with a variety of other social problems. The authors emphasise SV's goal of improving society by addressing social inclusion barriers and mitigating undesirable consequences (Felício *et al.*, 2013). In response to definitions like this, (Sinkovics *et al.*, 2015) called for a reconceptualisation of SV to mean alleviating social constraints, which can be regarded as the 'root causes' that prevent the system from achieving its goal. In other words, SV should be about treating the root cause of the problems and not the symptoms because, without this, the problem will continuously resurface, thereby making SV unsustainable (Sinkovics *et al.*, 2015). Other SV definitions include providing solutions to social problems (Dacin *et al.*, 2011) and 'altering existing social structures' (Mair and Martí, 2006, p. 38).

These varieties of definitions present a range of views on the SV concept. However, one of the common points is addressing social need(s) by creating value, which could be societal, economic, or environmental (Phills *et al.*, 2008). Notwithstanding the definitional challenges of SV, the concept lies at the heart of social procurement (Troje & Gluch, 2020; Raiden *et al.*, 2018). The growing importance of SV has led to initiatives such as the Public Services (SV) Act 2012 in the UK, driven by the quest to source market-based solutions for complex social problems in tandem with more comprehensive SV benefits (Dayson, 2017). The Act, however, focuses on service specification and neither deals with the procurement processes that should be followed (SV Act, 2012) nor prescriptions about how SV should be interpreted in methodological or epistemological terms (Harlock, 2014; Teasdale *et al.*, 2012). Nevertheless, such government initiatives

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reinforce how prominent the issue of SV is becoming and the related need to ensure that it is appropriately captured and delivered throughout the contract period. To facilitate sustained delivery of SV, it may help to have a unique perspective of the concept, acknowledging it as a service to be procured and one with a lifecycle just as the procurement contract that it is attached to.

2.3.1   Service and Lifecycle/Process Perspective on SV

Procuring SV shares similarities with service procurement, as it involves service offerings. Therefore, it embodies some, if not all, of the features and challenges associated with the procurement of services. Services are distinguished from products primarily by characteristics such as intangibility (Rottmann *et al.*, 2015). Most definitions of service emphasise intangibility as a key differentiator from products. For instance, Kotler and Bloom (1984) defined service as any essentially intangible activity that can be offered by one party to another without resulting in ownership and with a production process that may or may not be tied to a physical product. Grönroos (2007, p. 25) also defined service as 'a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems.' Furthermore, Grönroos (2016) elucidated the nature of service from a relationship perspective, in which key elements include support for customers, facilitation of value creation for customers resulting in value capture from the relationship by the provider, and service as a process that involves an interaction between the provider's resources and customer. Parasuraman, Zeithaml, and Berry (1985) identified the intangibility of service as the most critical feature, distinguishing services from physical goods, emphasising how this feature influences other aspects of service delivery; unlike physical products, services are invisible and cannot be touched or felt like physical goods. These authors argued that specifying and evaluating complex services comprising intangible assets is challenging because they involve dimensions that are not visible, particularly before delivery. This fundamental distinction has been central to defining the unique characteristics of services, often summarised by the IHIP framework – Intangibility, Heterogeneity, Inseparability and Perishability (Lovelock, 1983). Intangibility, as noted byLovelock and Gummesson, (2004), can be understood in two dimensions: physical intangibility – the degree of materiality of a product or service, highlights that services cannot be physically touched or possessed before purchase, making them inherently different from tangible

goods. Mental intangibility refers to the difficulty customers face in clearly understanding or evaluating a service, even after consumption, due to the abstract nature of many services.

Heterogeneity highlights the variability in service quality, with service experiences fluctuating depending on the provider's performance, customer interactions, and external factors (Parasuraman *et al.*, 1985) . This variability underscores the difficulty in standardising services, as each interaction is unique. Inseparability is another defining characteristic of services, indicating that production and consumption occur simultaneously (Lovelock and Gummesson, 2004) thus highlighting the difficulty in separating production and consumption for most services (Parasuraman *et al.*, 1985). However, Lovelock and Gummesson argued that some services do not require the direct involvement of the customer in the delivery process, suggesting that inseparability is not a universal feature. Finally, perishability denotes that services cannot be stored, saved, or inventoried for future use. Unlike physical products, once a service is delivered, it cannot be retained for future consumption. Unused service capacity during a specific period of time cannot be recovered (Parasuraman *et al.*, 1985).

Expanding beyond the traditional economic transaction perspective, services have also been conceptualised as complex, multifaceted phenomena that encompass a wide array of interactions and experiences. Johnson and Clark (2006) emphasised that service encounters are shaped not only by the exchange of value but also by the broader experiential elements that occur within the service delivery process, further complicating their evaluation and management. The authors emphasised the role of customer participation in service delivery, highlighting value co-creation through collaborative interactions between service providers and consumers. Pine and Gilmore's (1999) contribution to the discourse extended it by introducing the experience economy wherein the services are perceived as a platform for staging memorable and transformative experiences. The authors argued that modern economy services are not merely about meeting functional needs but about creating immersive and emotionally resonant encounters that leave a lasting impact on consumers. Building upon such a service perspective, Vargo and Lusch (2004) advocate for the service-dominant logic (SDL), which proposes that all businesses are fundamentally service providers. According to SDL, value is co-created through the integration of resources by multiple actors in a network, emphasising the collaborative nature of value creation. This perspective shifts the focus from the exchange of goods to the provision of value-added services and emphasises the importance of

relationships and interactions in the value-creation process. Likewise, Lovelock and Gummesson (2004) stress the importance of understanding services from a customer-centric perspective. They argue that service delivery should be tailored to meet the unique needs and preferences of individual customers, emphasising the role of customisation and personalisation in service provision.

Some service features have been the focal point of arguments in various studies suggesting that managing services presents different challenges from managing goods (Vargo & Lusch, 2004). Previous studies suggest that procuring services is more complex than procuring goods due to their unique features (Ellram et al., 2008; Tate & Ellram, 2012). According to some scholars, many organisations find it challenging to organise their services procurement effectively (Caldwell & Howard, 2011; L. et al., 2015; Hawkins et al., 2015). Similarly, prior studies found that organisational buyers recognise the purchasing of services to be more challenging than the purchasing of goods (Jackson *et al.*, 1995; Smeltzer and Ogden, 2002; Van Der Valk and Rozemeijer, 2009). Consequently, it is concluded that service procurement differs from goods procurement (Wynstra *et al.*, 2018a). The peculiarity of service has led many researchers and practitioners to conclude that it is preferable to exchange services in a close buyer-supplier relationship where trust is central to the relationship (Ellram *et al.*, 2004). The IHIP service features have been augmented with other approaches to differentiate service from goods (Wynstra *et al.*, 2015a). Two of these approaches are the rental/access paradigm and Sampson's Unified Service Theory (UST). The rental/access paradigm emphasises the roles of actors involved in service exchange but also focuses on asset ownership rather than processes (Spring & Araujo, 2009) while defining service as a process wherein customers provide significant inputs to the exchange (Sampson and Froehle, 2006). According to Wynstra et al. (2018), both approaches highlight that service characteristics are closely interrelated with the exchange relationship between the parties involved. Similarly, service-dominant logic posits that intangible assets are exchanged in an interaction process where buyers and sellers integrate closely (Vargo & Lusch, 2004). Based on the aforementioned points, it can be inferred that with service procurement, the involved parties (buyer, supplier, and customer) must engage in an exchange relationship, allowing each party to contribute to the process. Likewise, the creation of SV, which involves service procurement, requires contribution from the parties involved to co-create value. However, in this case, the customer is replaced by the buyer's host community.

According to Edvardsson et al. (2005), the wide range of service definitions can be categorised into two main streams: one defines service as the object of exchange, while the other sees service as a perspective on value creation. Given the focus of this research, the guiding definition of service would be service as a value creation perspective. Based on the reviewed literature, it can be inferred that prior studies suggest that service procurement involves greater risk and buyer uncertainty; as a result of these characteristics, more time and resources should be invested in the procurement process by customer firms (Wynstra *et al.*, 2018a). Recognising the SV lifecycle in the procurement process may assist in managing the challenges of SV creation and potentially its long-term sustainability. Hence, this thesis adopts a lifecycle perspective on SV, examining its integration into the procurement process (life cycle) and the impact of the life cycle on sustaining SV provision. Therefore, the thesis considers an understanding of the life cycle concept fundamental to the adopted approach.

The life cycle theory has been extensively discussed mostly in the marketing management literature (Stone, 1976; Yang *et al.*, 2010). Various authors have adapted it to discuss topics such as product/service life cycle, product life cycle management and assessment, and service life cycle management and assessment, the dominant one being the product/service life cycle (Cavalcante and Gzara, 2018; Rink and Swan, 1979; Yang *et al.*, 2010). Similarly, project management authors and professionals have adapted the theoretical life cycle concept to discuss project life cycle literature (Pinto & Slevin, 1988; Labuschagne & Brent, 2005; Martinsuo et al., 2019). The various literature has defined the life cycle and the different phases involved based on the topic discussed. From a product point of view, Rink and Swan (1979) explained that the theoretical rationale behind the product life cycle (PLC) is based on the theory of diffusion and innovation whereby the unit sales tend to be low at the introduction phase, then increase and peak up at its growth and maturity stage, and eventually declines, leading to removal in the market place. Similarly, Yang et al. (2010) explained that with the life cycle theory, a product/service remains in the market for a period, where it goes through four phases: introduction, growth, maturity, saturation, and decline. This notion extends to service as well; according to Cavalcante & Gzara (2018), with the advent of servitisation, certain product lifecycle models now incorporate services within the product life cycle. Some studies have proposed a different life cycle model, divided further into six to seven main parts: analysis, design, implementation, publishing, operation, and retirement (Kohlborn *et al.*, 2009); ideation, requirements, design, implementation, testing, deliver, and evolution (Wiesner *et al.*, 2015). Due to the complex and diverse nature of projects, there has

been no agreement among industries about the life cycle phases (Kerzner, 2017); as such, the number and names of the life cycle phases differ, mostly tailored to the project being carried out at a specific time. To reduce possible insistencies in this paper, the life cycle phases are considered important to serve as a foundation for understanding the basic SV [service] life cycle phases with a focus mainly on phases proposed by Kerzner (2017), including conceptual, planning, testing, implementation, and closure. From a project perspective, Kerzner suggests the phases can be defined as follows:

- *Conceptual:* This phase involves the initial evaluation of the idea. The most important part of the phase is the preliminary risk analysis and its ensuing impact on cost, time, performance, and the organisation's resources.

- *Planning:* At this phase, the elements in the conceptual phase are further refined. The firm identifies the required resources. Also included in this phase is the initial preparation of necessary documents to support the system. For example, the conceptual phase, depending on the project, may include the decision to bid, while the planning phase addresses the development of the total bid package (i.e., time, schedule, cost, and performance)

- *Testing*: This phase mainly involves testing the project plan and making the last standardisation efforts before commencing operations. Also, at this phase, most of the required documentation must be completed before proceeding.

- *Implementation*: At this phase, the project's product or service is introduced and integrated into the existing organisation. Depending on the product or service, the implementation phase may also include product life cycle phases of introduction to the market, growth, maturity and some deterioration.

- *Closure:* This is the final phase of the cycle and includes resource reallocation, which could be directed at introducing a new product or service for the company's survival. Also involved in this phase is the evaluation of the total system's efforts, the results of which serve as input in a new project and the system's conceptual phase.

The life cycle phases presented above could serve as a structured approach to managing projects, including SV projects, for optimal outcomes. Having established the product/service lifecycle

perspective and the associated phases, the next sub-section takes a lifecycle perspective of SV, highlighting the existence and impact of the decline phase in the process.

2.3.1.1 *SV The Life Cycle and Decline*

Despite the rationale behind the product/service life cycle, its inclusion in this study aims to highlight that services have a life cycle that includes a decline phase, and this study investigates what happens to SV at the end of the project phase, given that it is not the primary procured project. Viewing SV from a life cycle perspective creates an opportunity to acknowledge the possibility of its termination and devising means to ensure it is sustained over time, knowing its benefits to organisations, communities, the economy, and the environment. Therefore, the product service system (PSS) model proposed by Cavalcante & Gzara (2018) (see

Product and service opportunities Best alternative selection Conversion into requirements and specs	Product and service prototyping Manufacturing of product Service implementation and testing Delivery to the market	Provider's assistance Provider's monitoring	Product reuse, remanufacturing, or recycling Service decommissioning, reengineering, or re-design

Figure 2.1) is preferred in this research because it captures services clearly in the different phases and highlights possible actions that could be undertaken when a service reaches the end phase.

Product and service opportunities	Product and service prototyping	Provider's assistance	Product reuse, remanufacturing, or recycling
Best alternative selection	Manufacturing of product	Provider's monitoring	Service decommissioning, reengineering, or re-design
Conversion into requirements and specs	Service implementation and testing		
	Delivery to the market		

| Idea and Design | Realisation | Use | End of Life |

According to Cavalcante and Gzara (2018), the model represented in

Product and service opportunities	Product and service prototyping	Provider's assistance	Product reuse, remanufacturing, or recycling
Best alternative selection	Manufacturing of product	Provider's monitoring	Service decommissioning, reengineering, or re-design

21

| Conversion into requirements and specs | Service implementation and testing

Delivery to the market | | |

Figure 2.1 has been proposed to serve as a holistic solution to the product–service system where products and services are highly integrated. Using this model could help with options on how SV can be managed at the project's end-of-life stage, promoting long-term sustainability beyond its initial creation. Acknowledging the model's service reengineering or redesign element can promote an SV awareness that supports SV continuity beyond the associated procurement contract.

The entire life cycle perspective section provided an overview of the evolving interpretations of service, tracing its transition from a mere economic transaction perspective to one focused on value co-creation. It emphasised the importance of adopting a life cycle perspective to understand both service delivery and SV integration in the procurement process, which also has phases in its life cycle. By recognising the phases inherent in a project, the section highlights the significance of considering the lifecycle aspect in evaluating SV delivery. Overall, the section established the service perspective and lifecycle stance in the research's evaluation of SV delivery.

The next section reviews contract and procurement, given that they constitute the key constructs of the study. First, it reviews the contract, focusing on what it entails and its management in terms of the phases involved. Understanding these key areas of contract is vital to the study in the sense that part of the research explores how SV is managed in contract procurement. With that said, it is important to add that the following section is not focused on contract documentation but on the aforementioned areas.

2.4 Contract and Procurement

2.4.1 Contract

Contract and contract management has been mentioned as one of the tools for managing relationships, networks, and collaborations to ensure that the necessary activities and provisions needed for value creation are met as agreed(Malacina *et al.*, 2022). A contract is an agreement between two parties imposing rights and obligations which may be enforced by law (Mary, 2007). It includes provisions designed to protect parties from self-interested behaviour (Mellewigt *et al.*, 2007), acting as a safeguard protecting actors against hazards of opportunistic behaviours (Ring and Van De Ven, 1992; Williamson, 1979). However, some scholars argue that the presence of formal contracts may indicate a lack of trust between exchange partners, potentially reducing cooperation and inadvertently promoting opportunistic behaviour (Macaulay et al., 1963; Ghosal & Moran, 1996; Poppo & Zenger, 2002). Furthermore, Järvi et al. (2018) found that, among other factors, lack of trust contributes to value co-destruction. Despite this, contractual obligations play a crucial role in ensuring that the needs of each party are met, for instance, ensuring that the buyer receives the specified goods or services while safeguarding the provider's investment in the procurement process. Contracts also facilitate relationship coordination by defining the roles and responsibilities of involved parties (Brown *et al.*, 2010; Schepker *et al.*, 2014), including contingency plans that enable actors to adjust to changing circumstances (Luo, 2002). Though a contract has these benefits and purposes, several authors argue that it is often incomplete. According to Macneil (1980), a contract entails making a decision today about the future and various aspects of a contractual relationship. However, since humans are rational beings unaware of future events (Williamson, 1985), achieving complete contractual certainty becomes unattainable. Consequently, parties often write incomplete contracts (van den Hurk, 2016). This contracting challenge is said to be prevalent in public-private partnerships (PPPs), which typically are highly complex, uncertain, and risky undertakings (Caldwell et al., 2017; Caldwell and Howard, 2011; Lewis and Roehrich, 2009; Van Den Hurk and Verhoest, 2016; Zheng et al., 2008).

In exploring the diverse forms of contracts, two types have garnered significant attention in relevant literature: classical and relational contracts (Kapsali *et al.*, 2019). Classical contracts are characterised by explicit engagement rules and warnings of legal penalties or nonlegal repercussions, serving as safeguards

against opportunistic behaviour (Williamson, 1975). Typically utilised for one-off transactions or arm's length exchanges, classical contracts offer clarity and structure but may not foster efficient value creation in every scenario (Kähkönen and Lintukangas, 2012; Kimel, 2007). Conversely, relational contract logic posits that contracting parties are compelled by social or nonlegal sanctions to fulfil their commitments, emphasising the importance of sustained relationships over isolated transactions (Lewis and Roehrich, 2009). In agreement with Melvin Einsberg, Kimel (2007) argued that in relational contracts, transactions are not only seen as one-off deals but also as a relationship. Hence, clauses with additional contractual relationships are used (Kimel, 2007). Furthermore, Kähkönen and Lintukangas (2018) explained that a collaborative long-term relationship with shared objectives and benefits has a greater tendency to increase supply management's ability to create value than an arm's length relationship.

Despite the diversity in contract forms, several key elements underpin their formation, including offer and acceptance, consideration, intent, and capacity to contract. Formal contracts represent commitments to future exchanges (Macneil, 1978), yet they cannot foresee all future occurrences and uncertainties inherent in exchanges (Poppo and Zenger, 2002b). For instance, in procurement, changes during a project's lifecycle may present challenges to traditional product-centric supply chain service delivery and contract conditions, especially in large-scale procurements where mismatches between components and procurement systems are common (Caldwell and Howard, 2014). To address such challenges, Gao (2015) proposed that effective long-term contracts should be dynamic, incentivise honesty, allow suppliers to share vulnerability information, and accommodate adjustments in response to project evolution. Also, Van Den Hurk and Verhoest (2016) highlighted the importance of using standard contracts to improve the manageability of complex contracts.

In summary, this section has argued that selecting the right contractual form is crucial for effective procurement (Albano *et al.*, 2006), as an ill-suited choice can impair the project's manageability and, by extension, affect value delivery. Ensuring effective contract management for SV at the various procurement stages is imperative with the increasing procurement regulations, contract volumes, and complexities.

2.4.1.1 Contract Management

2.4.1.2 Contract Life Cycle

Social value is procured and delivered over time, and the more complex the social value anticipated, the more relevant the contract life cycle. Traditionally, the contracting cycle unfolds as a consistent pattern inherent in all contracts, traversing through various stages in its life cycle. Gupta et al. (2008) delineated these stages as construction, negotiation, agreement, execution and management, and termination. Saxena (2008, p.13) likened a contract to a living entity progressing through gestation, birth, maturity, and termination or renewal. This concept is illustrated by the author's identification of five distinct phases in the contract life cycle. (see Figure 2.2). In contrast, Cullen (2009) presented a slightly different perspective, outlining four phases and nine building blocks within the contract life cycle (see Figure 2.3). Nonetheless, it is essential to acknowledge that Cullen et al. (2006) referred to this as an outsourcing cycle, implying broader implications beyond traditional contract management. The contract life cycle, as elucidated by Saxena (2008) and Cullen (2009), encompasses various stages and elements essential for understanding the trajectory of contracts from inception to conclusion. Each has been presented below, with meanings ascribed to each phase by the respective author.

Figure 2.2 The Contract Life Cycle. Sourced from Saxena (2008, p.13) Enterprise Contract Management: A Practical Guide to Successfully Implementing an ECM Solution
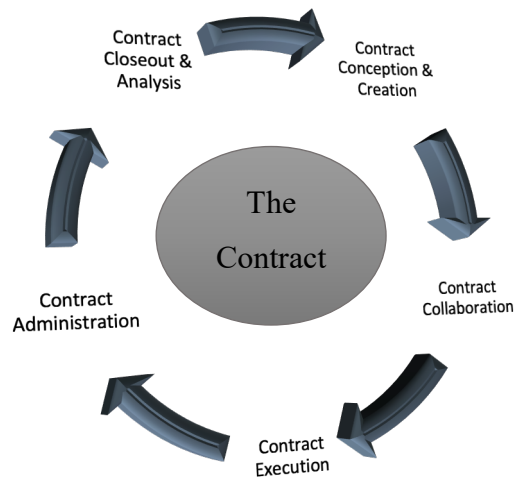
Figure 2.2 represents the contract execution phases outlined by Saxena (2008); each phase will be briefly explained, as described by the author, to clarify what each phase entails. Understanding the phases of a

contract is deemed beneficial for managing it effectively, particularly in the context of this study, which investigates the integration of SV in the process.

Contract Conception and Creation

According to Saxena, this initial phase marks the inception of a new contract and is deemed the pivotal stage within the contract's life cycle. The author elucidates that this phase entails the establishment and alignment of objectives between the contracting party and the supplier, laying the conceptual groundwork for a contractual agreement. Hence, it forms a conceptual basis for having a contractual agreement. It is after this phase that involved parties can engage in the actual contract creation process.

Contract Collaboration

During this phase, the contract is directed to the pertinent department within the organisation for review or approval in accordance with established policies and procedures. As highlighted by the author, this occurs during the drafting and negotiation stages of the contract preceding its execution. The internal groups integral to this process typically include legal, tax, insurance, and risk management teams, while external collaboration involves negotiations with customers, suppliers, or business partners Saxena (2008). This collaborative effort aims to achieve mutual agreement on the terms and conditions to be formalised within the contract.

Contract Execution

This stage marks the operational definition and formal agreement of the effective start and end dates of the contract by the involved parties. Contract execution occurs after the contract's review by relevant groups, including legal and regulatory bodies, and is evidenced by authorised signatories from both parties.

Contract Administration

During the contract administration phase, the focus is on monitoring and evaluating the contract to ensure alignment with the contracting parties' primary objectives. As Saxena (2008) emphasises, the essence of

this phase lies in ensuring adherence to specified procedures, regulations, and contractual agreements. This oversight aims to facilitate the achievement of the contract's main objectives and the realisation of value.

Contractual Closeout and Analysis

This phase focuses precisely on evaluating what was planned and what was executed. It involves analysing expenditures against budget allocations, optimising supplier orders to maximise utilisation and returns, and allocating resources for effective management. Additionally, contract performance and attributes are scrutinised to identify strategies suitable for future procurement endeavours. The outcomes of this stage play a pivotal role in determining whether a contract will be terminated or renewed based on its overall performance and alignment with objectives. Similar to the contract life cycle presented (see Figure 2.2), Cullen (2009) proposed one that serves as a scorecard to facilitate successful outsourcing. Within the four key phases are building blocks, with room for re-buys, which could support contract management for sustained SV delivery in the context of SV creation. Figure 2.3 presents the diagram and provides brief details of each phase, as explained by Cullen (2009).

Figure 2.3 The Contract Life Cycle. Adopted from Cullen (2009 p.102) The Contract Scorecard: Successful Outsourcing by Design
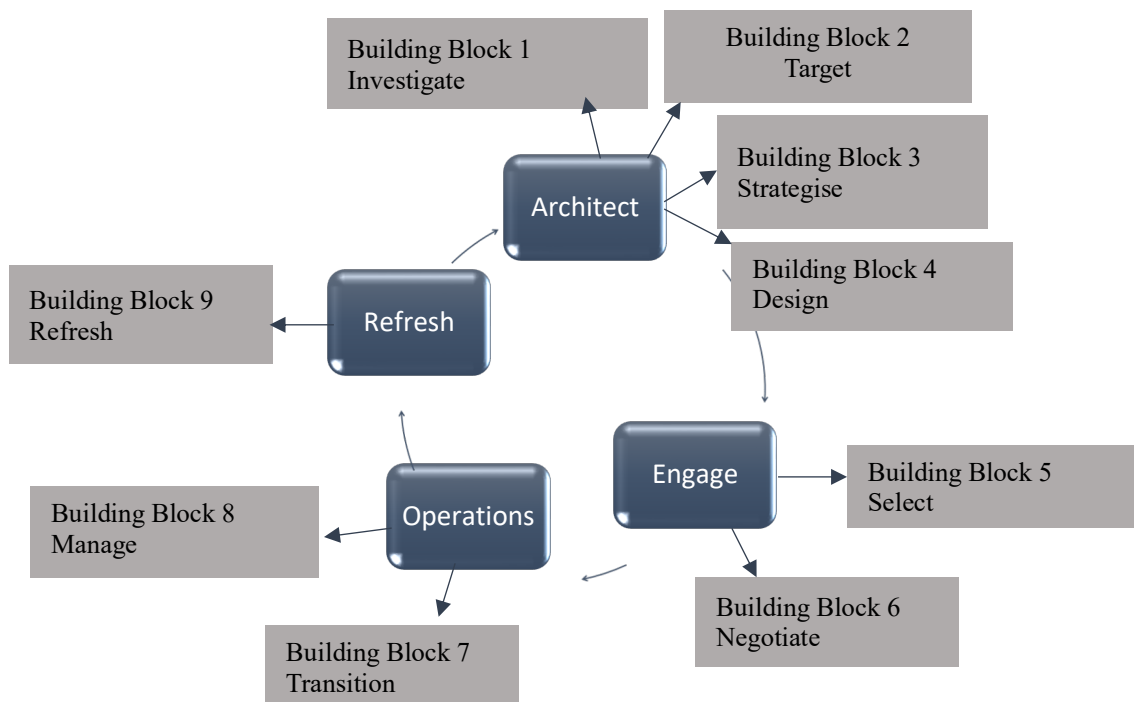
Architect Phase

The architect phase serves as the cornerstone for establishing the contracting framework and encompasses four fundamental building blocks: investigate, target, strategise, and design. The investigate building block entails the organisation's exploration and acquisition of knowledge regarding potential contracting initiatives from external sources to inform its design process. Cullen (2009) advises organisations to approach this stage by comprehensively understanding the entire contract life cycle, working backwards from the last to the first building block. This approach provides insights into the information requirements of the organisation and the necessary actions and events crucial for the contract's success.

Engage Phase

During this phase, one or more suppliers are chosen, and negotiations ensue. Consequently, the building blocks for this stage comprise select and negotiate – the fifth and sixth building blocks. Cullen (2009) recommends that organisations strengthen their bargaining power by taking advantage of the competitive tension inherent in the bidding at this phase.

Operate Phase

This phase encompasses the implementation, operationalisation, and management of the contract, incorporating the seventh and eighth building blocks: transition and manage. The effectiveness of the preceding phases significantly influences the smoothness or complexity of the operational phase.

Regenerate Phase

During the regenerate phase, options for the next deal are evaluated. This phase is significant as circumstances may evolve throughout the contract period, rendering previous decisions unfit for the current situation. Therefore, a reassessment for renewal or termination becomes imperative. The regenerate phase encompasses the last building block: refresh. It marks the restart of the life cycle, reverting to the initial phase – the architect phase.

While authors may employ different phase titles in the contract life cycle, there appears to be a commonality in the activities conducted across these phases. Having reviewed that there is a process (life cycle) to every contract and the criticality of its management, it is, therefore, important to understand how SV is managed at the various procurement phases. This becomes especially pertinent when certain factors can potentially disrupt contract execution and SV delivery.

2.5 Public Procurement Process

Procurement stands as a pivotal process within the supply chain, exerting a substantial influence on the success of an organisation (Barros *et al.*, 2021). It can be defined as 'the process of acquiring new services or products and includes contract strategy, contract documentation, and contractor selection. It extends to all members of the supply chain, including those responsible for operation and maintenance (Bower, 2003, p. 2). Public procurement – procurement conducted by government or public sector organisations – involves the acquisition of goods and services (Uyarra et al., 2014). Traditionally, procurement focused on meeting the demand for specific goods and services, ensuring timely delivery in the correct quantity at the right time and place. However, it has evolved to encompass adding value to its environment (Telgen *et al.*, 2007). This shift in focus has resulted in public organisations using public procurement to achieve a variety of societal objectives, thus making public procurement a crucial tool for implementing various public initiatives (Grandia and Meehan, 2017), such as policy tools to promote competitive market (Caldwell *et al.*, 2005) or to maximise community benefits (Wontner *et al.*, 2020). An example of this is the SV Act (2012), which is one of the policies that the UK is currently using to ensure that public organisations account for wider economic, social, and environmental benefits during the procurement of public services contracts. Policies like the SV Act can also be considered as a mechanism to drive public sector procurers and contractors to achieve socio-economic objectives, as authors suggest (Malacina et al., 2022; McCrudden, 2004). The main stakeholders involved in these practices are public buyers responsible for coordinating the procurement, the suppliers who provide what is being procured (goods, services, and works) and the users of what is being procured (Malacina *et al.*, 2022; Uyarra *et al.*, 2019), who are often members of the community (Babaei *et al.*, 2023). When creating value through public procurement, some authors believe that the procurement process should involve collaboration between the different stakeholders as the buying organisations are incapable of creating the value operating in isolation. Instead, value is created by the

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exchange and combination of resources, activities and capabilities with other stakeholders (Bryson *et al.*, 2015; Malacina *et al.*, 2022). Aside from factoring collaboration in the procurement process, the integration of objectives, including policy objectives like SV, into the process is also vital; as OECD (2019) suggests, to facilitate the success of policy execution through procurement, the public policy objectives need to be advanced in all stages of the procurement process, starting from the definition of public needs through to effective contract execution (OECD, 2019). The public procurement process includes a variety of practices, starting with the assessment of public needs to contract management and final payment (Malacina et al., 2022; Organisation for Economic Co-operation and Development, 2019), and several authors have developed models to illustrate the procurement (and purchasing) decision-making units (Bäckstrand *et al.*, 2019). According to the authors, the models include linear with a start to finish points, cyclical as in continuous activity, and hybrid model – a combination of linear and cyclical parts.

Although procurement follows a process that entails key steps for procuring goods, services, and works and/or services, not all purchases are designed to follow all the stages. For example, repeat purchases of some commonly used items or services may require skipping the first few stages of the procurement process. This set of stages is also referred to as the procurement cycle, mostly when a cyclical model (as stated in p. 28 above) is used to present the phases of the procurement process. According to Archer and Yuan (2009), the process (or cycle) creates an opportunity for the beginning, development and decline of a business relationship. Authors who have discussed the procurement process in their work presented the different forms and have worded the stages differently. Nevertheless, most of the contents are similar. For this thesis, the procurement process by Khan (2018) will be briefly discussed to understand the traditional procurement life process (see Figure 2.4).

Figure 2.4 Procurement life cycle adapted from Khan's (2018, p. 31) Public Procurement Fundamentals: Lessons from and for the Field
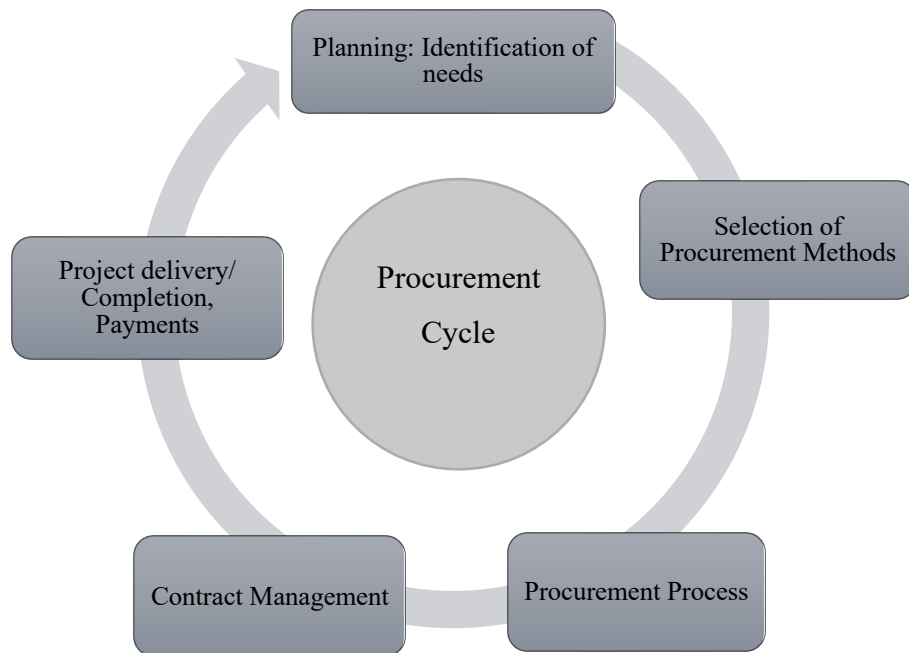
Figure 2.4 represents Khan's (2018) procurement cycle; each phase is briefly discussed below based on the author's explanation.

Procurement Planning: Procurement commences with a crucial step known as 'planning,' which is essential for ensuring that procurement is conducted effectively, fairly, economically, and transparently. Planning in procurement serves as the foundation for subsequent steps in the cycle. The plan is flexibly documented to accommodate any necessary adjustments throughout the procurement process.

> *Identification of Need:* The procurement cycle initiates with need identification, determining
> what goods, services, or works an organisation intends to procure.

Selection of Methods: This stage defines the most appropriate approach for procuring the required goods or services and outlines the supplier selection process. Common methods for goods and works include open/unlimited tendering, limited or restricted tendering, request for quotation (RFQ), and direct contracting. For consultant services, methods include quality and cost-based selection (QCBS), quality-based selection (QBS), least cost selection (LCS), selection of individual consultants, and single/sole

sourcing (SS). While these methods vary by country, some countries adopt these listed methods as standardised practices.

Procurement Process: This process involves several key steps: bidding/prequalification; issuing tender notices and prequalification/bids; receiving, opening, and evaluating bids/reports; contract award and signing; and finally, delivery, inspection, and receipt/completion.

Contract Management: At this stage, the procuring entity ensures that the supplier or contractor delivers following the schedules, conditions, and specifications in the contract. Contract management, though used interchangeably with contract administration, differs from contract administration; while contract administration includes only the bidding process and contract award and signature, contract management encompasses a broader scope. It revolves around ensuring adherence to the agreed-upon conditions of the contract, covering contractor performance, inspection, measurement, acceptance, contractual payments, resolution of contractual disputes, and contract termination/closure. In essence, contract management focuses on overseeing the contractual relation or project to ensure the successful execution and fulfilment of obligations by all parties involved.

Delivery/Completion, Payments: This stage involves the execution or completion of the project, marking the culmination of the contract. Payments for procurement are disbursed according to the terms outlined in the contract. Typically, this signifies the conclusion of most contracts, except in cases where renewal is required.

These details about the procurement cycle outline the key stages in the procurement process, from needs identification to project completion and payment; they also correspond with the beginning and end highlighted by OECD (2019). It is important to note that while other stages are significant, authors often include them based on their objectives, presenting them in various formats. With different models available to illustrate the procurement process, this research favours the cyclical model for its continuity, where the process restarts for future purchases once the sequence of steps ends (Bäckstrand *et al.*, 2019), this research favours the cyclical model because the process gives room for continuity; once the sequence of steps has ended, the process restarts for future purchases (Ibid).

The design and administration of procurement contracts, especially in public procurement, are increasingly prioritised, driven by the growing demand for improved efficiency and effectiveness in procurement practices. Organisations are faced with meeting these demands alongside budget constraints at various governance levels (Saussier and Valbonesi, 2018). These constraints, as highlighted by Saussier and Valbonesi (2018), manifest differently across various procurement phases, depending on the nature of the procurement. Such challenges can potentially impact associated projects like SV delivery, necessitating exploring how public entities procure SV alongside conventional procurement contracts. Although the procurement processes are well established, a holistic view of incorporating elements like SV is lacking. For example, Cheng et al. (2018), although they reviewed green procurement, revealed that there is a significant lack of discussion on awarding rules, specific environmental criteria, and life cycle analyses. This includes both life cycle assessment, which evaluates environmental impacts, and life cycle cost assessments, which account for the total cost of ownership. Omissions like this limit the scope of sustainable procurement and the potential to align procurement outcomes with long-term social, environmental and economic goals. Public procurement serves as a critical tool for achieving these goals, and it is essential that the procurement process aligns with public procurement attributes such as transparency, accountability, value for money and structured assessment. For example, Thai (2001) highlighted how pivotal the role of transparency is in mitigating corruption and building trust in procurement activities. By openly communicating procurement objectives, organisations facilitate market engagement, allowing suppliers to respond to opportunities effectively (Brammer and Walker, 2011). Furthermore, transparency in the planning process enhances competition, which in turn fosters innovation and value for money. Other areas for enhancing transparency include the assessment of bids, as Martínez et al. (2022) demonstrate that having fair and well-defined scoring rules facilitates fair and equitable evaluations as well as a good understanding of bid assessment and the criteria guiding the decision-making process. Thus, transparency fosters trust, enhances competition, and drives better value for innovation and money (Brammer and Walker, 2011; Uyarra & Flanagan 2009; Martínez et al., 2022)

Performance management is also a pivotal aspect of the procurement process, involving the establishment of performance measurement indicators. These indicators are crucial benchmarks often outlined by either the central government as mandatory requirements or by the purchasing organisation in the form of key performance indicators (KPIs) (Patrucco *et al.*, 2016). These KPIs are vital components within commercial

agreement documentation, crafted by the buying organisation at the outset of the procurement process to ensure that suppliers prioritise essential delivery elements throughout the contract term. According to Carpineti, Piga, and Zanza (2006), competitive procurements are often open only to qualified suppliers to guarantee good contract execution. Highlighting the significance of key suppliers, Kähkönen and Lintukangas (2018) underscored their pivotal role in value creation. Their research findings suggest that effective key supplier management (KSM) positively impacts supply management's ability to generate value. Consequently, suppliers emerge as co-creators of value, highlighting the importance of effectively managing contractual relationships to sustain value creation for society. Notwithstanding the role of KPIs and the suppliers in ensuring value creation, contractual challenges and the ambiguity of supplier performance can sometimes impact the transaction. Failure to address such issues at the contract negotiation and enforcement phase of the procurement process will affect the exchange relationship and subsequently hinder value creation (Bhardwaj and Ketokivi, 2020)

Considering the relevance of incorporating social, environmental and economic goals in the procurement process, part of the study's endeavour is to demonstrate how SV can be embedded and managed in the municipal procurement process. To achieve this, the thesis employs the CIPS procurement cycle model displayed using Figure 2.5

Part of the study's endeavour is to demonstrate how SV can be embedded and managed in the municipal procurement process. To achieve this, the thesis employs the CIPS procurement cycle model displayed using Figure 2.5

Figure 2.5 Procurement and supply cycle. Adapted from CIPS (2020)

Figure 2.5 has been used to support this study because, compared to the one previously presented (refer to literature review of public procurement process p. 27) and a range of others, it visibly encompasses broader

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procurement activities that are valuable for SV identification, market analysis, performance management, and asset management for continuity. Like most models, the stages do not provide a visual illustration of where SV can be factored. Thus, part of this study's objective is to present a procurement process model that explicitly incorporates SV integration. The author suggests that visually representing SV in the process could help improve the visibility of the concept and perhaps its significance in the procurement process, where applicable, in an attempt to facilitate delivery.

This section of the literature review has outlined the significance of procurement and contract management, showcasing various phases within the contract and procurement process. This exploration aims to elucidate their significance and establish a foundation for examining potential integration points for SV throughout these phases.

As the focus of this chapter and the entire thesis centres on the delivery of SV through procurement, the next section delves into additional pertinent literature to develop insight into social value procurement.

2.5.1 Social Procurement

Social procurement has garnered increased attention in both research and practice. Although its roots trace back to the mid-19th century, as noted by (McCrudden, 2004), it has resurfaced in various countries as a response to societal issues such as inequalities, unemployment, and disadvantage. While various authors from diverse perspectives have defined social procurement, there is a common thread running through these definitions. Furneaux and Barraket (2014, p. 269) defined social procurement as 'the acquisition of a range of assets and services to intentionally create social outcomes (both directly and indirectly)'. Similarly, Barraket and Weissman (2009) described it as the government's acquisition of various goods and services from private and not-for-profit firms with the aim of creating SV. According to Loosemore (2016), social procurement involves the use of organisational purchasing power to generate positive community social outcomes in addition to the delivery of normal contractual outcomes relating to time, cost, quality, and safety. Additionally, Barraket *et al.* (2016) assert that social procurement involves the deliberate creation of SV through procurement. Despite the varied wording of these definitions, they share the common objective of SV creation through procurement, positioning SV creation at the core of social procurement

(Halloran, 2017; Loosemore *et al.*, 2020, 2021). Based on these definitions of social procurement, this paper considers the term to be the creation of social outcomes through procurement; this understanding allowed focus on the SV outcomes as reflected in the conceptual framework (Figure 2.9)

Social procurement differs from traditional procurement by going beyond basic purchasing of required products and services to leverage procurement strategies to influence and gain additional social benefits and create SV in local communities (Bonwick, 2014). Barraket and Weissman (2009) argued that the advancements in social procurement primarily lie in a relational approach, shifting focus from competitive tendering to valuing social impact, fostering public-private partnerships, and nurturing sustained supply relationships. This rationale justifies the utilisation of social networks to examine the relational aspect of procurement and how asymmetry may affect sustained SV delivery. While some social procurement policies aim to promote the participation and growth of local firms, Esteves and Barclay (2011) cautioned that small suppliers can be disadvantaged by the long-term relational exchange as there are possibilities of loss of autonomy and flexibility, high dependence on the buyer, weaker negotiating position, and sharing of confidential, cost, and other information.

Several developed countries, including the UK, USA, Australia, and Canada, actively incorporate SV considerations into procurement practices. However, social procurement policies vary in their level of prescription. According to Loosemore et al. (2021), not all social procurement policies specifically prescribe targeted groups, as in the UK's Public Services (SV) Act 2012, the ISO 20400 (2017), Sustainable Procurement Guidelines, and the EU public procurement directives (European Union, 2014). Nevertheless, this is not true in countries like the USA, Canada, and Australia. In these countries, social procurement policies are more specific about the recommended groups, targeting certain populations like indigenous and minority people, ex-offenders, people living with disability, disadvantaged groups, migrants and refugees. Meanwhile, the UK policy aims to bolster the participation of local firms in public contracts.

Given the definitional issue of SV, the SV sought to be achieved through procurement may vary among firms and countries, reflecting differing interpretations of the term. Perhaps the firms are left to decide what SV to consider during procurement within the context of their operations and in response to the host community's need while adhering to the existing government policy on SV in procurement. In line with

this, Raiden *et al.* (2018) highlighted that the issue with the conceptualisation and documentation of SV created by social procurement is that the initiative can vary greatly. As such, the created SV can take many forms. To address this issue, Loosemore *et al.*(2021) proposed a comprehensive framework categorising SV into affective, cognitive, behavioural, and situational dimensions. According to the authors, affective SV pertains to the emotional well-being of individuals; cognitive SV involves the acquisition of knowledge and skills; Behavioural SV reflects changes in workplace behaviour resulting from the initiative, such as reduced anger, increased trust, improved punctuality, enhanced teamwork, and shifts in attitudes towards colleagues., and finally, Situational SV encompasses broader life circumstances impacted by initiatives.

The identified SV, which can be created via procurement, captures a range of community needs and probable outcomes of social procurement. These SV categories such as those proposed by Loosemore *et al.*(2021) can assist in delineating the targeted SV for social procurement based on the intended impact and anticipated results, particularly in the absence of prescriptive policies. Further to elaborating on the SV concept, Khodeir and Othman (2018) argue that consulting stakeholders, including local communities, is crucial for identifying and addressing evolving SV needs. By incorporating diverse perspectives and adopting suitable strategies, organisations can effectively measure the impact of their initiatives and enhance their contribution to societal well-being (Khodeir and Othman, 2018). Overall, these insights highlight the importance of considering the multifaceted dimensions of SV and engaging stakeholders in the procurement process to ensure its effective integration and sustainable delivery.

Despite the benefits of social procurement, some factors make it difficult to achieve. Barraket and Weissman (2009) pinpointed key barriers to social procurement, including buyers' lack of knowledge regarding social purpose businesses, governmental culture, the complexity of assessing and measuring SV, organisational capacity constraints, and limited experience with public procurement among potential providers such as small firms and social enterprises (Barraket and Weissman, 2009, p. iii). To address some of these hurdles, the authors outlined strategies for governments to facilitate social procurement. These include developing and implementing strategic social procurement objectives, educating staff on social procurement and social purpose businesses, diversifying procurement opportunities for suppliers, involving suppliers in contract design when appropriate, fostering longer-term contractual arrangements, and facilitating access to finance for social purpose businesses.

The next section examines the UK government's approach to fostering SV delivery through procurement. This exploration is particularly significant as the study is centred on local councils in the UK. Understanding the UK government's strategies and policies regarding SV delivery through procurement is essential for contextualising the social procurement practices that support this study.

2.5.1.1   UK Government's Approach to Delivering Social Value through Public Procurement: The SV Model Framework, TOMs (Themes Outcomes and Meseaures) and Implementation

2.5.1.1.1   The UK Social Value Model Framework

In the UK, the government has developed a guide to utilising the Social Value (SV) Model, which outlines the government's SV priorities for procurement (Assets Publishing Service UK, 2020). This model, known simply as the model, is a framework for in-scope organisations to implement SV priorities effectively. Within the model are SV options, referred to as themes, which commercial staff in in-scope organisations can review and select from. The model contains five themes and eight policy outcomes see Table below.

Table 2-2 The social value model, adapted from the guide to using the social value model (2020)

Themes		Policy Outcomes
Theme 1	COVID-19 recovery	Help local communities to manage and recover from the impact of COVID-19
Theme 2	Tackling economic inequality	Create new businesses, new jobs and new skills
		Increase supply chain resilience and capacity.
Theme 3	Fighting climate change	Effective stewardship of the environment
Theme 4	Equal opportunity	Reduce the disability employment gap
		Tackle workforce inequality
Theme 5	Wellbeing	Improve health and wellbeing
		Improve community cohesion

The policy outcomes help users with the assessment and evaluation of SV presented in the tenders, as well as the management of SV deliverables in the contract. Detailed information relating to each policy outcome is provided in the model, including model evaluation questions, model response guidance for tenderers, model award criteria (MAC) and sub-criteria, and reporting metrics. Alignment of this information must correspond with the subject matter of the contract, although users may disregard irrelevant MAC if they find them unsuitable. The implementation of the model is intended to span all stages of the procurement lifecycle (ibid, p. 22). Consequently, the study examines how this integration is realised in practice by local councils and the impact of phases, mostly contract beginnings and endings, on SV.

2.5.1.1.2   The UK's National TOMs

In addition to the 'model' explained in section 2.5.1.1.1 is the UK National Themes, Outcomes, and Measures (TOMs) framework representing a significant step forward in embedding SV into the public procurement process. The Local Government Association, in collaboration with the Social Value Portal, developed the national TOMs – a set of themes, outcomes and measures to assist councils in assessing the value they generate through implementing the Social Value Act (Local Government Association, 2024). According to the SV task force, the TOMs framework is structured around five key themes, 20 core outcomes and 48 core measures. Each of these components is explained below:

Themes: Broad strategic priorities that guide an organisation's effort.

Outcomes: specific objectives that an organisation aims to achieve in alignment with the overarching themes.

Measures: action-based indicators that are used to evaluate whether the outcomes have been met; this often represents the activities that suppliers can undertake to support desired goals (Local Government Associations 2024). It is worth noting that the national TOMs have been under review for improvement, and the latest edition (at the time of writing this thesis) introduces new outcomes focused on addressing environmental issues, climate emergency, modern slavery and supporting vulnerable community members. According to the Social Value Portal (2022), the update in the latest National TOMs -2022 version of the National TOMs framework, NT2022, is in four categories:

National TOMs Framework Simplification: The National TOMs framework has been restructured, introducing a streamlined version with three variations: core, non-core, and light. This aims to enhance usability while maintaining essential metrics.

Environmental Measures: New measures have been added to the framework to enable a more precise and thorough recording of actions related to decarbonisation and environmental protection efforts.

Other Revisions: Proxy Updates and Non-Environmental Measures: This involved revising existing measures and their associated proxy values and introducing new, non-environmental metrics.

Technical Enhancements: Updates have been made to enable tier-one contractors to report social value across their supply chains, clarifying that reported social value encompasses both direct and indirect contributions. While the framework primarily focuses on direct social value, it assumes that individual organisations will report separately on their contributions (Social Value Portal, 2022).

2.5.1.1.3 UK Social Value Model and the Sustainability of Social Value

As discussed in section 2.5.1.1.1, the UK SV Model aims to integrate SV into the procurement process, ensuring that projects contribute to positive social, economic, environmental and non-environmental outcomes. However, it does not capture how SV can be sustained beyond the life cycle of the individual primary project it is associated with. One of the social procurement challenges identified in UK construction by Loosemore (2016) is the development of a project dimension to social procurement strategy to consider SV creation over a project's life cycle. The UK SV model implies that to create SV through procurement; it must be tied to the project's life cycle by integrating SV in the procurement cycle. This, however, fails to capture what happens to the created SV at the end of the project. As most projects come to an end, integrating SV in the life cycle means that SV could potentially be terminated at the end of the project. Being that SV is meant to have a long-term impact on individuals, communities, and the environment (Assets Publishing Service UK, 2020), it can be argued that the approach to SV using the SV model limits the potential for long-term SV creation, as it seems not to account for what happens to SV at the end of the contract procurement. Given this, this research aims to consider SV as a service adopting a life cycle perspective to the concept. The importance of this approach is that seeing SV from a service life cycle

perspective sheds light on the significance of the impact of procurement project phases, mostly the end phase of SV delivery. Therefore, it stresses the need for a holistic analysis of SV integration in the procurement process to identify how procurement officers can strategically integrate SV into their models, proactively managing its sustainability beyond the creation phase.

Having reviewed the SV concept from different angles, including its confirmation as a service, procurement and social procurement – the creation of SV through procurement, the subsequent section aims to identify, via literature, the participants engaged in SV (co) creation.

2.5.1.2   *Understanding SV: Involved Actors and Their Respective Roles in SV Creation.*

The previous section (see Chapter 2.2) discussed value, and here, value is mainly looked at from a co-creation point of view to establish SV co-creation and, consequently, identify the actors engaged in this process.

Indeed, the concept of value, as discussed earlier in this chapter, has evolved over the years, with a pivotal shift towards recognising that value, particularly to the customer, is not merely exchange value but actual value experienced during product or service usage (value-in-use) (Agrawal *et al.*, 2015). As discussed in this literature review chapter, the service-dominant logic (SDL) emphasises that firms facilitate value proposition while customers actively co-create value (refer to p. 13). An update to the foundational premises of SDL is that 'all economic and social actors are resource integrators' (Vargo and Lusch, 2008, p. 9), highlighting the role of social actors in the value-creation process, who co-create value by pooling resources required for that purpose. Furthermore, from the SDL perspective, 'value is always uniquely and phenomenologically determined by the beneficiary' (Vargo and Lusch, 2008, p. 7), indicating that those offering value – including SV – are not the ideal determinants of what is valuable; this determination lies with the beneficiaries. Scholars who defined SV as the social, economic, and environmental benefits accruing to a community and its residents from companies or organisations operating within the community (Daniel and Pasquire, 2019) seem to suggest that companies and organisations can generate SV by considering their environmental, economic, and social impacts, as well as their contributions to community well-being and development (Kiser *et al.*, 2017). In this context, communities and their inhabitants are positioned as the recipients of SV, benefiting from organisations in return for resources obtained from the

host community. However, Kiser et al. (2017) argue that SV creation is not solely the responsibility of companies; rather, it requires a co-creation process involving company leadership, stakeholders, and society. Thus, SV creation is fundamentally about co-creation, as companies do not generate SV in isolation (Kiser *et al.*, 2017). Additionally, Daniel Pasquire (2019) offered an intriguing perspective on the lean approach to SV and emphasised the relevance of consultations with relevant actors (stakeholders). Connecting this to SV, Khodeir and Othman (2018) found that the lean principle encourages consultation with the stakeholders, which includes local communities, thereby creating a platform to support SV delivery by looking at and identifying SV needs from the community perspective. These findings reemphasise the view that value should not be determined by those who offer it but by those to whom it is offered (Vargo and Lusch, 2008)

Based on the literature reviewed so far in this paper, it can be argued that to foster SV creation, the external stakeholders, which have been mostly represented as the local community, need to be engaged in the process. This, as explained in the literature, helps with understanding and identifying SV from the community perspective. Consequently, it is reasonable to posit that the principal parties involved in SV creation within procurement encompass the buyer, the local community, and the supplier (depicted in Figure 2.6). In this context, the buying organisation serves as the primary entity, acquiring resources from both the supplier and the host community to execute its operations, with the expectation of generating SV in the process. Given that potential suppliers are tasked with fulfilling the buyer's requirements, they are mandated to articulate, during the tender stage of procurement (as discussed in the preceding review), how they plan to address the social, economic, or environmental aspects of SV in accordance with the SV policy and requisites of the buying organisation. Drawing from the examined literature, it can be concluded that the optimal approach entails consulting stakeholders, particularly the local community, to see SV from their perspective and identify actual SV needs. Furthermore, given the researcher's understanding of value co-creation and collaboration among actors, this thesis also presents a working model (working scenarios) depicting a triadic representation of actors involved in SV activities (see Figure 2.7 and Figure 2.8.)

Figure 2.6 SV Actors (Author's own)
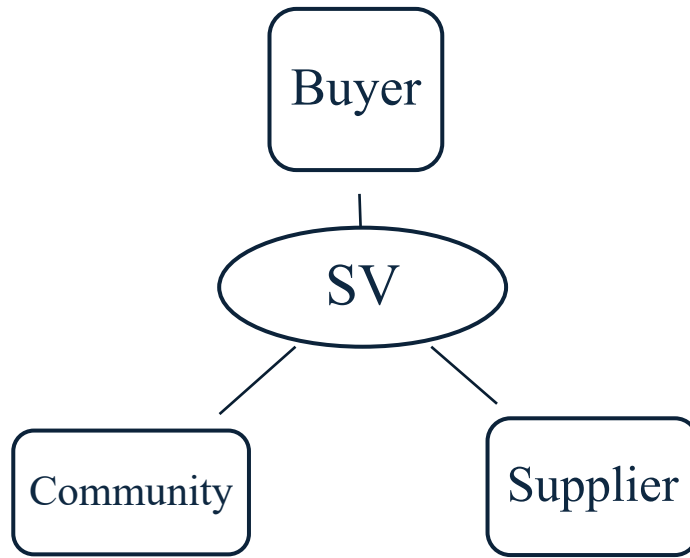
The researcher presents Figure 2.6 to depict a simple triadic representation of the actors involved in SV creation. The triad perspective draws influence from the work of Wynstra et al. (2015), which illustrates service triads, where a buyer contracts with a supplier to deliver services directly to the buyer's customer. This concept is deemed relevant because it is presumed that the buying organisation (such as a local council in the context of this study) contracts their supplier to deliver SV to the local community.

It is worth noting that the procurement interaction could be more sophisticated due to complexities from factors like policy implementation strategies, involved parties, infrastructure, and performance (Caldwell and Howard, 2014; Roehrich and Lewis, 2014; Uyarra *et al.*, 2020; Wynstra *et al.*, 2018b)**.** For example, a complex procurement involves various tiers of suppliers and a more sophisticated contract compared to procurement for a small project. While differentiating the service triad from other forms of triad, Wynstra *et al.* (2015) posit that with the service triad, a direct exchange should exist between the supplier and the customer (buyer's customer) to deliver its service. For this study, it is assumed in this thesis that to gather data from the community about SV needs, the local councils and the suppliers engage the local community

as part of the actors in the service procurement triad. Figure 2.7 and Figure 2.8 present the researcher's assumption of two possible scenarios for SV creation.

Figure 2.7 Working Scenario 1: An assumption that the supplier engages with the community for SV creation (Author's own elaboration)
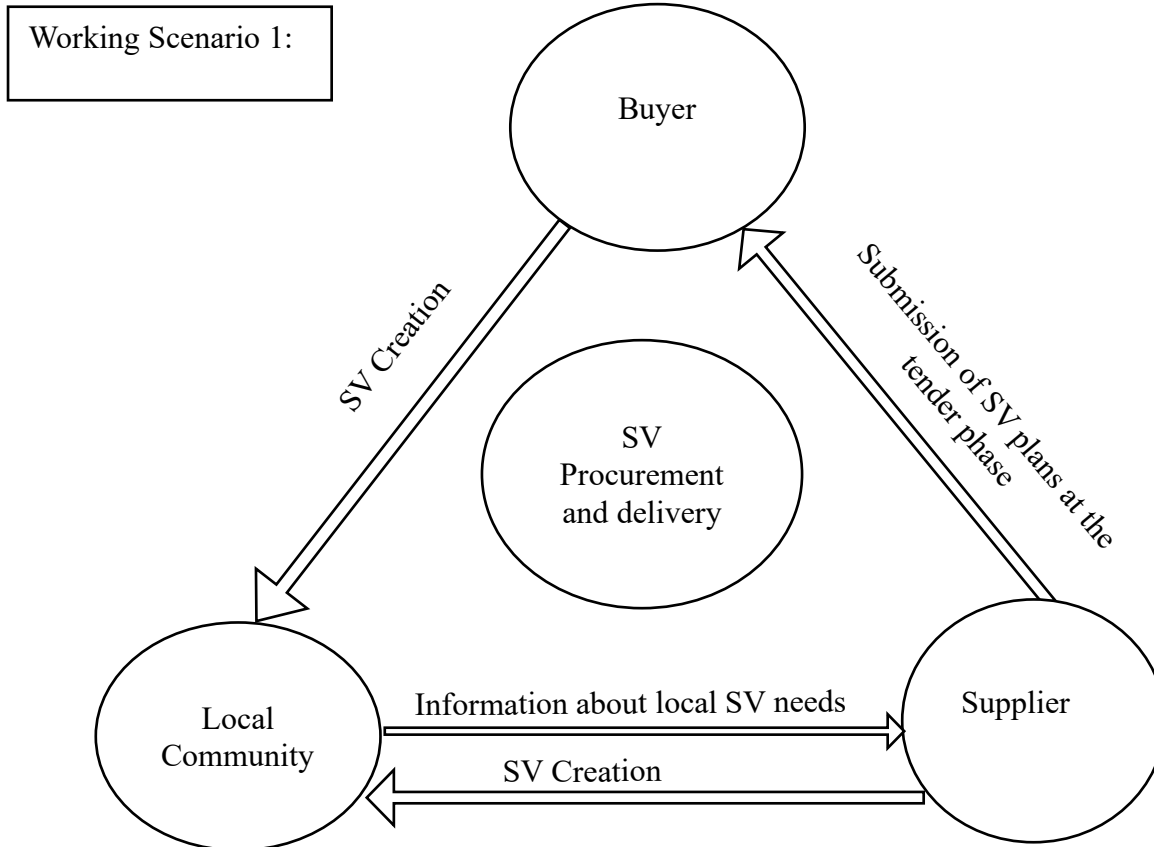
Working Scenario 1:

In working scenario 1, the supplier is assumed to be the middle person consulting directly with the community to identify SV needs, which are then stated during bidding with the buyer. Lastly, SV will be created for the community via the supplier.
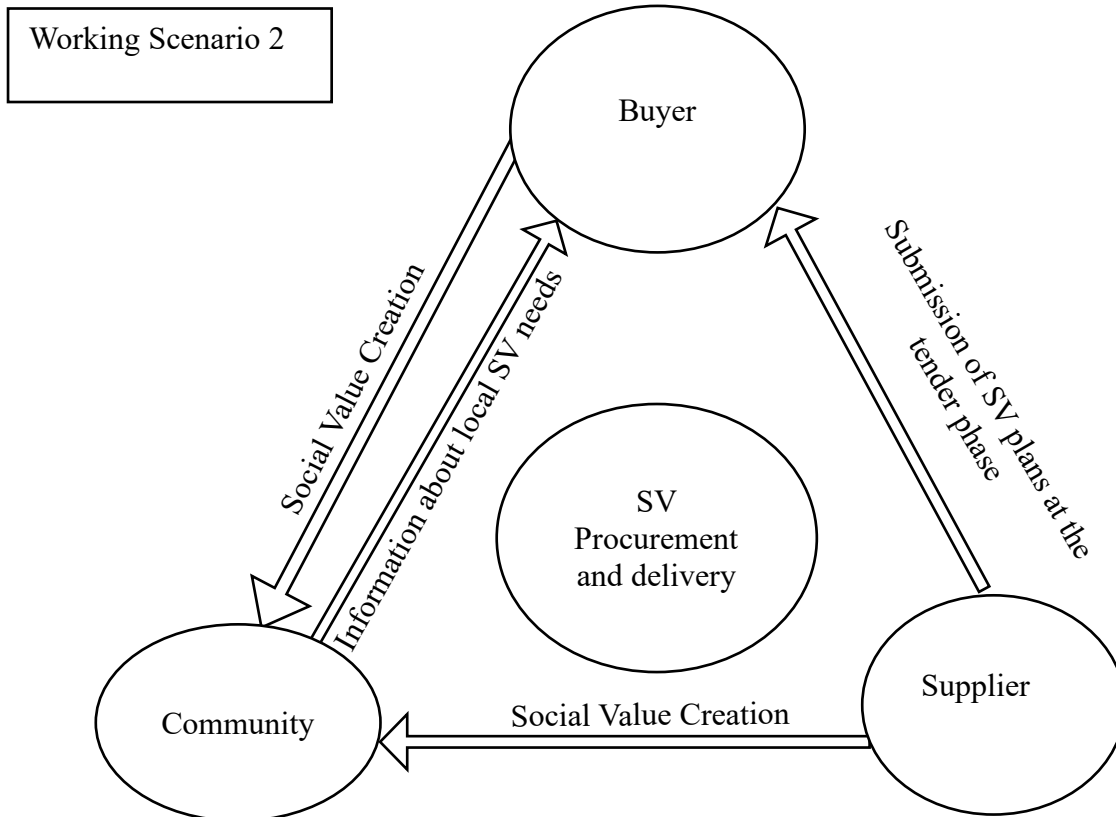
Working scenario 2 assumes that both the buyer and the seller obtain SV information from the host community and create this value as individual organisations, perhaps in different procurement settings.

This study will also attempt to collect data to assess how the interaction of SV activities among actors occurs in practice and compare the real-life scenario (based on data) to the researcher's assumptions depicted in working scenarios 1 and 2 above. The aim is to identify how the buying organisation engages the suppliers and community in SV, which needs identification and delivery during its procurement. The subsequent analysis will explore SV and procurement phases, examining the impact of changing projects and how buying organisations adjust municipal procurement to SV dynamics. The study aims to use theoretical lenses to aid the analysis of data to be collected; as such, the two applicable theories, transaction cost economics and diffusion of innovation theory, will be reviewed in the next section.

2.6   Theoretical Framework

Considering the aims of this study, the research believes that understanding how SV is procured and embedded within the local councils' procurement process requires a multidimensional approach. Hence, transaction cost economics (TCE) and the diffusion of innovation theory (DOI) are utilised in this research because both theories will provide an indispensable perspective for analysing the practice of delivering SV through procurement and adapting the latter to SV dynamics. TCE scrutinises the transaction aspects, shedding light on the procurement mechanisms and inherent cost and efficiencies. At the same time, DOI examines the adoption and dissemination of innovation, elucidating how SV is embraced and integrated within the council's frameworks. Before these can be executed, the following sections discuss the theories within the context of this study, starting with TCE.

2.6.1   Transaction Cost Economics

Transaction Cost Economics (TCE) was initially used to explain the scale and scope of a firm. However, now, its use has expanded to the study of different economic relationships ranging from lateral and vertical integration to marketing, transfer pricing, corporate finance, the organisation of work, franchising, the multinational corporation, regulation, company towns, formal and informal contractual relationships, and long-term commercial contracting (Shelanski and Klein, 1995, pp. 335–336). According to some authors, the first researcher to analyse TCE was Ronald Coase (Ahluwalia et al., 2020; Geyskens et al., 2006), who, in his seminal paper 'The Nature of The Firm', analysed how transaction costs influence the organisation of the firm and the market. Coase argued that choosing between market and hierarchies (in-house production/vertical integration) is mainly determined by the differences in transaction cost (Coase, 1937, cited in Geyskens et al., 2006). Still on the origin of the concept, Gibbons (2010) stated that TCE was founded and developed by Oliver Williamson, who is believed to have resolved the operationalisation problem of transaction cost theory by demonstrating that 'testable hypotheses could be developed by associating the relative efficiency of alternative governance structures with observable dimensions of transactions, namely asset specificity, uncertainty, and transaction frequency' (Geyskens *et al.*, 2006, p. 519). TCE has, over time, evolved from two complementary fields of New Institutional Economics (NIE) and New Economics of Organisation (Williamson, 1998) to move beyond the theory of the firm as a production function to an organisation with a governance structure (Nanka-Bruce, 2004, p. 1)

TCE is one of the extensively referenced organisation theories in operations and supply chain management research (Ahluwalia *et al.*, 2020; Chiles and Mcmackin, 1996; Grover and Malhotra, 2003; Ketokivi and Mahoney, 2020; Williamson, 2002). Though the concept is a widely applicable theory of governance, one of its key topics of interest is the make-buy decision (Ketokivi and Mahoney, 2020). TCE provides explanations for contractual choice, emphasising transactional efficiency by minimising transaction costs (TC). Whilst engaging in an economic transaction, costs are incurred before (the planning phase), during (the execution phase), and after (the decommissioning phase) a contract; firms pursue efficiency by trying to minimise these costs where possible. It is based on this insight that economic exchange has ex-ante preparation cost and ex-post execution cost, from which TCE was derived (Coase, 1937). The ex-ante costs include drafting, negotiating, and safeguarding potentially complex contracts between contractual parties (Ketokivi and Mahoney, 2020), while the possible ex-post costs arise when contract execution is misaligned as a result of gaps, errors, omissions, and unanticipated disturbances (Williamson 1996b, p. 379). According to Ahluwalia, Mahto, and Guerrero (2020), the core of this theory is transactions and costs; the transaction refers to the exchange of goods or services, and cost is the sum of monetary or non-monetary values associated with the exchange.

Amongst other functions of TCE is the focus on how transaction costs can be optimised, as well as the analysis of a firm's decision to either make or buy a product or service, including the organisation of the resulting choice. Coase (1937) described the market and hierarchies as alternative ways of coordinating production and argued that the role of TCE in the decision-making implies that the decision to either make in-house or outsource is dictated by the cost of both. Williamson (1973) also explained that TCE argues that the decision of a firm to make or buy an item is determined by both the price of the item and its transaction cost. This make-or-buy (outsource) decision is perceived as a focal and recurring issue that purchasing and supply managers often encounter (Cevikparmak *et al.*, 2022; Mantel *et al.*, 2006). Outsourcing is considered a cogent managerial choice that is made to leverage a firm's resources (internal and external), competencies, and capabilities (Mantel *et al.*, 2006). It [outsourcing] is deemed this powerful because it would enable firms to focus the use of their resources on processes with higher return and importance, innovative ventures or their core competencies (Cevikparmak *et al.*, 2022). Hence, it allows for more efficient and effective utilisation of resources, which are in most cases limited.

TCE categorises human nature based on two main assumptions, bounded rationality and opportunism, and categorises transactions by three dimensions (rational economic reasons): asset specificity, uncertainty, and frequency (Rindfleisch and Heide, 1997; Meinlschmidt, Schleper, and Foerstl, 2018)

2.6.1.1   Key TCE Assumptions

Bounded Rationality: Bounded rationality is one of the three levels of rationality, with maximising being the strong form, bounded rationality as the semi-strong form, and organic rationality as the weak form (Williamson, 1985). Though bounded rationality is the second level and a semi-form, it appears to be one of the main focuses of TCE and relevant to this research; as such, it is the only rationality level discussed in this thesis. Bounded rationality refers to the constrained cognitive capability and rationality of humans (decision-makers) (Rindfleisch and Heide, 1997), which makes it difficult for individuals and organisations to fully capture the complexity of events (Roeck *et al.*, 2020). One of the reasons why this assumption is crucial in TCE is that it hinders managers' decision-making ability before the transaction (Roeck et al., 2020) and, as such, could be detrimental to theparties involved, as well as the transaction itself. Grover and Malhotra (2003, p. 459) posit that though decision-makers may want to act rationally, their ability to receive, store, retrieve and communicate information without error is limited. This limitation appears to be a natural occurrence with humans even when unintended and, unfortunately, hinders the degree of rational behaviour (Grover and Malhotra, 2003). To mitigate issues like this, Aubert and Rivard (2016) emphasise that during the decision-making process, managers can be supported by some IT providing and facilitating faster processing of information, thereby reducing the relevance of bounded rationality.

Opportunism: The assumption here is that decision-makers and exchange actors have the tendency toward self-seeking interest and acting with guile (McIvor, 2009). Williamson (1985, p. 47) defines opportunism as 'self-interest seeking with guile', and such behaviour includes lying, cheating, stealing, and mostly, subtle forms of deceit (including active and passive forms and ex-ante and post types). Opportunism is specifically difficult when a buyer has no transparency over the supply network, and the buyer becomes exposed to safeguarding issues and the risk of being exploited (Meinlschmidt *et al.*, 2018)

Opportunistic behaviours, therefore, result in transaction costs; it costs more to safeguard and coordinate a transaction when there is a higher transactional risk associated with the transaction behaviour (Grover and

Malhotra, 2003). Thus, in the event of higher opportunism, managers resort to the use of hierarchies to mitigate the risk of opportunism and reduce costs by carrying out the transaction in-house (Grover and Malhotra, 2003). TCE has been criticised for this assumption on the basis that it portrays a negative image of humans; nonetheless, scholars have been cautious in limiting this assumption to inter-organisational transactions (Roeck *et al.*, 2020).

2.6.1.2   Dimensions of TCE

Asset Specificity: Asset specificity is the first dimension for describing a transaction; it refers to the 'transferability of assets that support a given transaction' (Grover and Malhotra, 2003, p. 459). It explains a transaction's level of customisation and whether an asset used in a certain transaction can be deployed to another setting (Roeck *et al.*, 2020). A transaction or investment is highly asset-specific (also referred to as relationship-specific investments) if it represents a cost that has little to no value outside the transaction or exchange relationship for which it is being used (Grover and Malhotra, 2003). Asset specificity emerges in an intertemporal context (Williamson 1985, p. 54); during a transaction, involved parties would normally have to choose between a specific purpose or general-purpose investment as set out in the contract. In the case where the transaction goes as expected, a specific purpose investment (also referred to as asset-specific investment) will, in most cases, yield cost savings. However, Williamson (1985) further explained that situations like this may be risky because specialised assets cannot be deployed to another use without sacrificing productivity value should the contract be interrupted or terminated prematurely. On the other hand, a general-purpose investment does not present such issues because in the case where problems emerge during contract execution, both parties can decide to go separate ways and deploy assets to another transaction. The asset-specific issue poses trade-off decisions and needs evaluation due to the risk of redeploying purpose-specific assets. Thus, managers may need to decide if the cost savings gained from, say, a specific purpose technology is worth the potential risk that may arise during the contract execution stage or at any later stage of the contract (Williamson, 1985). It is based on these characteristics that Williamson (1985, p. 55) refers to asset specificity as 'durable investments that are undertaken in support of particular transactions, the opportunity cost of which investments is much lower in best alternative uses or by alternative users, should the original transaction be prematurely terminated'. Asset specificity is mostly in the form of human specificity or physical specificity. Examples of human specificity (or cost)

include training of the procurement team for a specific contract or investment, while physical specificity may be in the form of a supplier's investment in tools and fixtures to take care of the peculiar needs of a manufacturer (Grover and Malhotra, 2003). Williamson posits that though accountants distinguish between fixed and variable costs, they (costs) should be further classified based on their degree of specificity: wholly specific and nonspecific assets. This, according to the author, does not imply that only two specificity classes exist; an asset can have a mixture of both to become a semi-specific asset (a mixture of wholly specific and nonspecific).

Uncertainty: As previously listed, the second dimension for characterising transactions is uncertainty. Uncertainty in the TCE context is 'the source of disturbances to which adaptation is required' (Williamson, 2008, p. 8). These disturbances can affect a transaction in various ways and cannot be foreseen before the contract. Uncertainty could be in two forms: behavioural uncertainty and environmental uncertainty (Williamson 1985). Behavioural uncertainty has to do with unpredictable human actions and is a strategic kind of uncertainty attributable to opportunism (Williamson 1985). The problem with this uncertainty is performance evaluation; the challenge is associated with verifying the other party is delivering in compliance with the agreed terms (Rindfleisch and Heide, 1997). For example, it may be difficult for a buyer of, say, SV service to know if the supplier is delivering those services to the community as should be per the agreement. Rindfleisch and Heide (1997) explained that even when the operations can be measured, there is a possibility that the processing cost and information gathered by the buyer may be substantial. Human actions are unpredictable; consequently, even with the awareness of opportunistic behaviours and screening for trustworthiness during a transaction, the uncertainties that may arise cannot be completely described (Williamson 1985).

Environmental uncertainty relates to the environment within which firms operate, and transactions take place. The basic consequence of this type of uncertainty is the difficulty of adapting to changes in the business environment (Rindfleisch and Heide, 1997). For example, certain changes in the use of a product or government regulation may require a manufacturer to modify its product design or service offering to adapt to those changes. When a special purpose asset is being used, adapting to this uncertainty may lead to the cost of replacing or modifying the asset. Without a comprehensive contract with the suppliers, this cost may be higher (Rindfleisch and Heide, 1997). Transaction cost analysis posits that an uncertain

environment makes transaction constraints more problematic in which the circumstances surrounding an exchange cannot be specified ex-ante (environmental uncertainty) and performance difficult to verify ex-post (behavioural uncertainty) (Rindfleisch and Heide, 1997, p. 31).

Frequency: Frequency, the third dimension for describing a transaction, refers to how often a transaction occurs (Williamson, 1985). Williamson argued that the frequency of a transaction provides a firm with an incentive to employ hierarchical governance because it will be easier to recover the cost of a recurring specialised governance structure. Thus, he asserts that transaction frequency brings the market inside the firm due to the high cost of executing it outside the firm (Williamson 1985). Due to the limited attention that literature has given to transaction frequency (Geyskens *et al.*, 2006; Nanka-Bruce, 2004; Rindfleisch and Heide, 1997), only a few aspects of this dimension are covered in this section.

2.6.1.3   *Impact of the assumptions and dimensions on the transaction*

As discussed within the TCE theoretical framework section, a transaction's cost and the choice of governance mode are affected by the assumptions and dimensions (Crook *et al.*, 2013). Williamson (1985) also argued that these (transactions) costs are driven by their attributes (asset specificity, uncertainty, and frequency). When the attributes are high in a transaction, internalising the transaction's activities within the firm will minimise the transaction costs; alternatively, exchanging with others via hybrids or markets will minimise the costs (Crook *et al.*, 2013); when decision-makers match a transaction's unique features to an appropriate structural alternative that reduces transaction costs, the performance of the firm is maximised via the process (Williamson, 1991). In the case of asset specificity, its level in a transaction supports the extent of opportunism in that transaction (Rindfleisch and Heide, 1997). For example, if a buyer invests in a special-purpose asset, say training a supplier for a specific transaction, the buyer may become locked to that relationship because of the cost of investment already incurred and the supplier may capitalise on this and exploit the buyer.

The degree of bounded rationality and opportunism, together with the other key dimensions explained under the TCE section, also determines the type of governance structure to be used for a transaction. Williamson (1975) provides a perspective on the nature of governance structure that can exist amongst firms. Grover and Malhotra (2003) state that markets and hierarchies (firms) are proposed as alternative instruments

(governance mechanisms) for completing transactions, and Williamson 1975 argues that depending on the level of opportunism, markets or hierarchical governance can be used. To explain how these options play out, TCE's basic premise is that, in the event that the cost of carrying out certain transactions is too high, adopting a hierarchical governance structure (i.e., organising the economic transaction in-house) might be more suitable than adopting a market governance structure (executing the transaction outside, e.g., outsourcing) (Grover and Malhotra, 2003).

2.6.1.4   *TCE Application in Procurement*

TCE has been applied in a range of studies to analyse procurement decisions to provide insights into cost-efficiency across various government structures. For example, Sharon & Eric (2024) investigated supplier management practices within state corporations and how they aligned with TCE, demonstrating how procurement processes often involve substantial transaction costs, specifically in managing supplier relations to ensure contract performance and cost savings. They suggest that adopting TCE principles helps to streamline the procurement process, using strategies such as competitive bidding and the use of standardised contracts to support the reduction of negotiation and enforcement costs, thereby improving procurement efficiency. Similarly, Guo et al., (2024) examined auction-based procurement in a complex setting such as multi-unit double auctions, highlighting that transaction costs in these settings are mainly from managing multiple suppliers, determining prices and the negotiation process. With the application of TCE, the authors posit that organisations can reduce the cost associated with searching for suppliers and negotiation and, at the same time, maintain competitive pricing and operational efficiency. This approach demonstrates the relevance of TCE theory in facilitating the simplification of procurement in complex environments. In the context of the healthcare sector, Mayavo, (2024) analysed donor-funded procurement of public health laboratory services, revealing that compliance, monitoring and quality assurance generate immense costs, especially under tight regulatory compliance measures, and by applying TCE, procurement managers can streamline processes to reduce the cost associated with managing a wide range of suppliers, thus enhancing the efficient use of donor funds while attaining procurement objectives. Finally, Ruheni et al., (2024) focused on the agriculture sector, particularly climate-smart agriculture, to explore the role of TCE in resource procurement. They argued that TCE helps to understand the costs incurred throughout the procurement lifecycle, specifically those arising from quality assurance and supplier reliability, compliance

and monitoring requirements. Their study suggests that long-term contracts with reliable suppliers can help to minimise these costs, thereby reducing uncertainty and the need for frequent negotiation. This approach aligns with TCE's focus on cost minimisation through strategic supplier relationships, reducing uncertainty and associated costs (Ruheni *et al.*, 2024)

While one of the key TCE's focus is minimising the cost of transactions, incorporating SV adds a layer of complexity to procurement decisions and potentially increases the transaction costs as public buying organisations work to align supplier behaviours with brother societal objectives (Bovaird, 2006). For example, in sustainable procurement, where government aim to purchase environmentally friendly goods and services, transaction costs may increase. This rise may result from the need to conduct a detailed evaluation of the supplier's environmental credentials, implementation of new monitoring systems and management of the uncertainties associated with the long-term performance of green technologies (Grandia and Meehan, 2017)

The reviewed literature about TCE suggests that the theory indicates that the theory can be applied to examine the costs associated with transactions between economic agents. It also emphasises the role of transaction-specific factors, such as uncertainty and opportunism, in determining the governance structures chosen to facilitate transactions, given that contracts are typically incomplete in a complex world (Williamson, 1979, 1985). Furthermore, TCE suggests that the choice between market and hierarchical governance depends on minimising transaction costs. By analysing the efficiency of different governance structures, TCE provides insights into how organisations can optimise their decision-making processes and mitigate transaction costs. Overall, TCE offers a valuable framework for understanding the complexities of economic transactions and designing governance mechanisms to enhance efficiency and effectiveness. This would provide a theoretical framework for analysing municipal procurement practices regarding social value. The theory would help to examine the costs incurred in procuring SV by buying organisations and suppliers. In this context, TCE will be utilised to assess the efficiency and effectiveness of municipal procurement processes in delivering social value. By considering the transactional dynamics inherent in procurement relationships, TCE offers insights into how organisations can mitigate transaction costs and optimise procurement outcomes, thereby enhancing the delivery of social value within municipal procurement systems.

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2.6.2 Diffusion of Innovation Theory

The development of diffusion of innovations (DOI) theory has been attributed to the seminal work of Rogers, Everette (Alhammadi *et al.*, 2023; Elmghaamez *et al.*, 2022; García-Avilés, 2020). DOI theory comprises two key terms: *diffusion* and *innovation.* Diffusion, as defined by Rogers, is the process through which an innovation is communicated over time through certain channels among the members of a social system (Rogers, 1995, p. 5). The author explained that the communication element of diffusion is not linear but rather a two-way process where information is exchanged between participants. Communication in this context contains a message about a new idea, and this 'newness' message makes diffusion unique (Rogers, 1995).

Innovation, the second key term of the theory, has been defined as an idea, practice, or object that is perceived as new by an individual or other unit of adoption (Rogers, 1995). As the definition suggests, innovation can be in the form of an idea, practice, or object, and new in this setting is in relation to the adopting agent, meaning that it is new to the agent and not necessarily new to the world (Downs and Mohr,1979, p. 385). Furthermore, the 'newness of an innovation may be expressed in terms of knowledge, persuasion, or a decision to adopt' (Rogers, 1995, p. 11). This explanation of the newness of innovation can be taken to apply to instances where a regulatory body persuades organisations to incorporate practices like SV in procurement. According to Rogers (1983, p.6), diffusion is a kind of social change that can be defined as the process whereby the structure and function of a social system are altered. This means that the introduction of innovation will cause a change which, according to the author, may be accepted or rejected, either of which will lead to certain consequences – the occurrence of social change. Seeing innovation diffusion from a service eco-system and institutional perspective, Vargo et al. (2020) posit that diffusion is crucial for spreading innovation in society because without it, the dissemination of any innovation or idea, which is conceived as institutional change, will not occur. Thus, diffusion is part of the innovation process.

2.6.2.1 Conceptualising SV as Innovation

As discussed in chapters 1 and 2 of this thesis, the UK has the SV Act (2012), which mandates that public authorities include SV when procuring public services contracts and for connected purposes. This mandate is also reflected in the Procurement Policy Note (PPN) 06/20. Although the Act came into force in the UK

on 31 January 2013, the public sector organisation does not appear to have a full grasp of the concept. Before the Act, procurement was done without mandatory SV considerations. The researcher's review of the London Borough Council's procurement strategy to gain insight into SV activities showed no mention of the concept – of SV – nor was there any SV policy to guide the buying organisation and their partners on SV delivery through procurement. Despite the enactment, to date, the concept has not been fully integrated into the procurement process due to its 'newness' among other factors. Innovation, as defined earlier in the section (see Diffusion of Innovation, entails an element of 'new', which could be an idea, practice, or object and is subject to the agent. In line with this, the UK public contract regulation defined innovation as 'the implementation of a new or significantly improved product, service, or process, including but not limited to production, building or construction processes, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations, including with the purpose of helping to solve societal challenges or to support sustainable and inclusive growth' (Commencement, 2015, p. 5). This definition further emphasises that innovation is not restricted to ground-breaking technological advancement but could be in different forms, as suggested in the definition, including that presented by Rogers. Hence, SV can be conceptualised as innovation based on the reason that (1) the adoption of the SV concept is relatively new to public procurement officers; (2) the SV requirement fits into the meaning of innovation explained in the DOI theory section and by the UK public contract regulation; and (3) due to the newness and lack of clarity of SV delivery through procurement, the involved parties need to think of innovative ways to successfully embed SV in the procurement process in the midst of budget constraints, to deliver meaningful SV through procurement successfully. Building on the views of diffusion as a social and institutional change, it can be said that the mandate of public sector organisations in the UK to incorporate SV (already conceptualised as innovation) in procurement would require dissemination (diffusion) to become an integral part of the procurement process. According to Rogers and Shoemaker (1971), there are key elements that facilitate the diffusion of new ideas: innovation, communication channels, time, and social systems. These elements constitute the definition of the DOI theory presented by the authors. Their explained inherent relationship is that innovation is communicated through certain channels among members of a social system, thus resulting in a process – diffusion of that innovation (Rogers and Shoemaker 1971; Rogers 1995, 1983).

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2.6.2.2   The DOI Elements

Innovation

As previously discussed in this theoretical framework section, innovation is not restricted to ground-breaking technological advancements; it can take the form of an idea, practice, or object and is perceived as new by the individual or unit adopting it (Knutsson and Thomasson, 2014; E. Rogers, 2002;Rogers, 1971, 1983). This view of innovation is also reflected in the definition provided by Downs and Mohr (1979) – the earliness or extent of use by a given organisation of a given new idea, where 'new' means only new to the adopting agent and not necessarily to the world in general (Downs and Mohr, 1979, p. 385). Likewise, the generation, adoption, and diffusion of any innovation do not necessarily occur simultaneously (Knutsson and Thomasson, 2014). Furthermore, Rogers cautions against assuming that the diffusion and adoption of all innovations are necessarily desirable because some innovations can be harmful or uneconomical and, hence, may not be desired by either an individual or the social system. While explaining the diffusion model, Rogers suggests that the rate at which an innovation is adopted would also differ. According to the DOI theory, there are characteristics of innovation, and how individuals perceive these characteristics can help to explain their [innovations] distinct adoption rate. The innovation characteristics are as follows:

1. *Relative advantage:* The degree to which an innovation is perceived to be superior to the idea it supersedes. What matters most is the individual's perception of the innovation as advantageous.
2. *Compatibility:* The degree to which an innovation is perceived to be consistent with existing values, previous experiences and needs or adopters
3. *Complexity:* The degree to which an innovation is perceived as difficult to understand and use
4. *Triability:* The degree to which an innovation may be experimented with on a limited basis.
5. *Observability:* The degree to which the results of an innovation are visible to others (Rogers, 2002, p. 990)

Communication Channel

The second element of DOI, according to Rogers, is the communication channel. Communication within this context is the process of transmitting messages from a source to a receiver (Rogers and Shoemaker, 1971). It can also be defined as the process used by participants to create and spread information between one another so as to reach a mutual understanding (Rogers, 1983;1995). Thus, communication embodies the new idea that is transferred from a source with the view of modifying the receiver's behaviour, and the communication *channel* is the medium used to pass the new idea or message from one individual (source) to another (receiver) (Rogers and Shoemaker, 1971; Rogers 1983, 1995). Communication channels can be in the form of interpersonal, e-mail, instant messaging, phone, or video communication. According to Rogers and Shoemaker (1971), the channel used in communicating new ideas is critical in determining the receiver's decision to accept or reject the innovation. Following the example provided by the authors, if the source wishes to inform the recipient about the innovation, then a mass media channel may suffix. However, if the sender's objective is to persuade the recipient to act favourably toward the innovation, then an interpersonal channel would be more effective. As pointed out byLengel and Daft (1968), communication channels vary greatly in their capacity to convey information, as their physical characteristics limit the type and amount of information that can be transmitted. According to the author, these characteristics determine the richness of the communication channel and include the ability to simultaneously handle different information cues, facilitate rapid feedback, and establish personal focus media richness. Considering the increasing communication channels available to employees – thanks to the integration of advanced technologies within organisations (Smith *et al.*, 2018) and the role of these channels in facilitating the diffusion of new ideas – attention should be given to specific areas such as the idea being communicated, the objective for communicating the idea, and the suitable channel to use as new technologies are integrated into organisations. This focus can help facilitate the spread of new ideas more effectively. Another factor to consider, as suggested by Rogers, is the social relationship between the communicators. More effective and meaningful communication of new ideas is likely to occur and have greater effects when two or more people share homophilous characteristics, such as social status, education, interest, work, and more (Rogers, 1995, p. 19). Rogers further explained that where this is not the case and the involved individuals are heterophilous, the author posits that ineffective communication is likely and, consequently, difficulty in the diffusion of innovation. Nonetheless, a degree of heterophily needs to be present between the participants for the diffusion of new ideas to occur because if the individuals are similar on all levels, no new information would be shared. Therefore, participants can be homophilous on all other variables and

heterophilous on the innovation (Rogers, 1983, 1995), meaning that with innovation, one party (mostly the source) would know about it while the other doesn't, at least not most of it, thereby creating grounds for the innovation to be communicated and diffused over time.

Time

The third element of the diffusion process is time. The DOI theory suggests that time is a critical factor for the diffusion process and a transparent aspect of the communication process. According to Rogers, there are different ways in which the time dimension is involved in the diffusion process. These include the following:

Innovation-decision process: This is a mental process through which an individual or decision-making unit moves from first having knowledge of the innovation to deciding to accept or reject it and then confirming the decision. The innovation-decision process can result in the adoption or rejection of an innovation, and any of these decisions can be reversed at a later time. This explanation indicates that there are stages in the innovation-decision process, and Rogers and Shoemaker (1975) had initially conceptualised four main steps in the process but added one more in subsequent publications to make it five steps or functions in the innovation-decision process (Rogers, 1983; 1995). The phases are:

Knowledge: Knowledge function occurs when an individual or decision-making body becomes aware of the innovation's existence and gains an understanding of how the innovation works.

Persuasion: Occurs when a favourable or non-favourable attitude is formed towards the innovation. This stage occurs after the knowledge phase because it is only when an individual or decision-making unit becomes aware of an innovation that the person starts building an attitude towards it. Also, at this stage, the involved individual(s) begins to seek new information about the innovation, and the critical behaviours include where the information is sought, what message is received, and how the received information is interpreted (Rogers and Shoemaker 1975). Given that all innovations carry some level of uncertainty for the individual, there becomes a need for social reinforcement, thereby making an interpersonal communication channel ideal.

Decision: This function or step is about the decision to either accept or reject the innovation and involves the individual or decision-making unit engaging in activities that support the choice to adopt or reject. This decision between two alternatives makes this function different from the others with the inherent element of decision.

Implementation: After the decision is made, the implementation phase will occur when the individual or decision-making unit puts the innovation to use. Unlike the other stages, which are mostly mental exercises, the implementation phase involves behavioural change by putting the new idea into practice. One critical thing to note is that at this stage, issues of how to use the innovation may emerge (Rogers, 1983). The resulting concerns would typically lead to questions about where to obtain the innovation, how to use it, how it works, possible operational problems that may surface, and how to solve them (Rogers, 1983, 1995). To handle this situation of active information seeking, the author suggests that the change agent needs to offer support to ensure that the innovation is effectively implemented. Rogers further explained that problems at the implementation stage are often more pronounced for adopting organisations compared to individual adopters. The reason is that organisations are made up of different individuals involved in the innovation-decision process, and most times, the implementers are different from the decision-makers, thus making the decision process complex. Also, the structure of the organisation may be resistant to implementing innovation.

Confirmation: The confirmation stage involves the individual or decision-making unit reinforcing the decision that has been made to either accept or reject the innovation.

This section has received more attention because of the perceived significance of the innovation-decision process to this research. The following sections will be briefly explained because although they are important parts of the DOI theory, they are not greatly aligned with the direction of this study.

Innovativeness and adopters categories: The second way in which time plays a role in the diffusion process is the innovativeness and adopters category. Rogers used these elements to explain the degree to which individuals adopt new ideas (innovativeness) and to show that people are not necessarily less innovative but are late in adopting the innovation – the 'late majority' by classifying them [members of a social system]

based on innovativeness. Thus, rather than describe individuals as less innovative, Rogers suggests categorising them as innovators, early adopters, early majority, late majority, and laggards.

Rate of adoption: This element of the time dimension in diffusion in process refers to how fast members of a social system adopt an innovation. At the early stage, only a few people adopt the innovation at a given time, but as time passes, more individuals adopt the innovation at each succeeding time until diffusion is completed. The more innovation is perceived by the receivers to have attributes like higher relative advantage and compatibility, the higher its adoption rate will be. To determine the rate of adoption, the innovation in the system is used as the unit of analysis rather than the individuals to measure the length of time it will take for a given percentage of the members of the social system to adopt the innovation.

Social System

The fourth and final element of the diffusion process is the social system, which is defined as a set of interrelated units that are engaged in joint problem-solving to accomplish a common goal (Rogers, 1995, p.23). A social system could be made up of individuals, organisations, informal groups, and/or subsystems. Within the diffusion context, diffusion occurs within the social system, which has a structure that can influence the spread of innovation. There are factors within the social system that can impact the diffusion of innovations, including the norms guiding the system, the opinion leaders and change agents, the innovation-decision process, and the innovation consequences.

2.6.2.3   *DoI within the context of the study: Barriers and enablers to the Diffusion of SV in the public procurement process*

Just as in Rogers (1995, p. 7), diffusion in this research is taken to include the planned and spontaneous spread of new ideas, but the emphasis is on planning because the fact that the requirement to adopt and extend SV in procurement (as in SV Act and PPN 06/20) was articulated, deliberated upon, and reviewed before becoming a policy. Also, the public sector decision-makers lean towards the bureaucratic side (Craven, 2023; Newman *et al.*, 2022; Pascoe *et al.*, 2023; Wellstead and Biesbroek, 2022) and are less spontaneous in adopting anything not documented. Furthermore, there are issues of noncompliance to some procurement rules due to factors like complexity, accessibility, resource constraints, lack of knowledge,

capability, and understanding of the legal requirements (Craven, 2023). Just as some factors may impact compliance with certain legal requirements, the adoption and diffusion of new ideas like SV can be impacted by the elements and factors identified in the discussion of the DOI theory.

Roger (2003) further provides complementary insights into how new technologies, practices or approaches gain adoption within social systems. In the context of public procurement, embedding SV objectives constitutes a noteworthy innovation that is targeted at addressing societal issues such as unemployment, inequality, and environmental sustainability (Uyarra et al. 2014). However, disseminating such practices can often be hindered by barriers such as insufficient expertise, fragmented governance structure and resistance to change. Thus the effective delivery of SV objectives hinges on the ability of public procurement bodies to adopt and institutionalise innovative approaches. As reviewed in section 2.6.2.2, DoI's five key attributes – relative advantage, compatibility, complexity, triability and observability – play a crucial role in influencing innovation's adoption rate (Rogers 2003). For example, procurement practices that clearly demonstrate social and economic advantage (relative advantage) and align with established public service values (compatibility) are more likely to be accepted. In sustainable procurement, suppliers are incentivised (relative advantage) to innovate by responding to these demands through the development of sustainable technologies and the adoption of greener practices (Grandia and Meehan, 2017). Similarly, procurement prioritising SV will compel suppliers to innovate in ways that boost areas such as ethical sourcing, community well-being and diversity. Just as other DoI attributes, observability also plays a pivotal role, as evidenced in the case studies of municipalities incorporating green procurement, contributing to broader adoption (Daddi et al. 2015).

Despite the potential benefits of adopting innovations such as SV, public procurement systems often encounter barriers to the diffusion of innovation. These include regulatory constraints, risk aversion and limited capacity for experimentation (Thai 2009). For example, public bodies may hesitate to adopt blockchain technology due to concerns about data security and the high cost of integration (Saberi et al., 2019). Also, embedding SV in the procurement process may increase transaction cost and complexity, deterring public bodies from its adoption. According to Elder and Uyarra (2013), such an issue is particularly challenging in sectors where public bodies are not well equipped to evaluate non-economic outcomes. Despite these hurdles, innovations driven by SV criteria can address critical issues such as public

health, inequality and climate change. Overcoming these barriers requires having mechanisms and practices that facilitate adoption rate within procurement organisations. For instance, Walker and Brammer (2012) emphasise the relevance of collaborative networks in driving sustainable procurement. Such networks can foster knowledge and best practice exchange, enabling public bodies to adopt and implement innovations that facilitate SV delivery.

2.6.2.3.1   Relating the determinants of innovation diffusion to the practice of embedding SV in the procurement process

1. *Complexity:* The reviewed literature suggests that SV as a service delivery is complex, and there is already difficulty in defining it in a unified way. Data collected confirms these challenges and has further identified the perception and approach to SV delivery, the alignment of the SV choices to real community needs, the value threshold, and the length of the procurement contract as among the factors making SV delivery challenging. Data also suggests that including SV in procurement contracts is not difficult, but the challenge lies in the provider's ability to deliver the agreed SV.

2. *Compatibility:* Some elements of SV seem consistent with the values of the public sector in the sense that they (the pub sector) have, over time, been involved in delivering benefits to the local community through the goods, services, and works that they procure. However, when incorporating SV, which is considered a benefit in addition to the actual project being procured, data suggests that compatibility starts to fade, mostly when the financial implications of this additionality are considered.

3. *Relative advantage:* Benefits of embedding SV in procurement; the legitimacy of the buying organisation; economic, social, and environmental benefits

4. *Observability:* SV outcomes, although difficult to measure, are visible, but data has suggested poor management and evaluation as challenges to SV delivery.

5. *Trialability:* Since SV is part of the public procurement regulation, there may not be room for buying organisations to trial its delivery. Nonetheless, data suggests that the approach towards SV delivery has been trialled. For example, a few councils used the standard TOMs but decided to design council-specific TOMs. After a trial of the new design, they saw that it was more suitable and aligned with their approach and perception of SV.

2.6.2.3.2   Suitability of DOI to SV integration in the procurement process

The application of the diffusion of innovation theory to SV integration into the public procurement processes involves understanding how new ideas, SV practices, and/or initiatives diffuse among governmental agencies and other procurement actors. The integration of SV into public procurement processes aligns with the diffusion of innovation theory, outlining stages through which these practices are adopted and embedded within public procurement.

Knowledge Stage: Initially, agencies acquire an awareness of SV incorporation into procurement. This includes understanding the concept and potential benefits of integrating SV considerations, such as environmental sustainability, community development, or ethical sourcing (Brammer and Walker, 2011). Knowledge acquisition occurs through exposure to successful case studies or guidelines emphasising the importance of SV in procurement practices.

Persuasion Stage: During this phase, agencies evaluate the relative advantage of adopting SV measures in procurement. They weigh the perceived benefits, such as improved social outcomes, enhanced public perception, or alignment with policy objectives, against potential drawbacks or challenges (Bovaird and Loeffler, 2012). Persuasion involves building a positive attitude towards integrating SV elements and recognising its potential to drive broader societal benefits through procurement processes.

Decision Stage: Governmental bodies deliberate on incorporating SV criteria into procurement practices. This decision-making process considers the compatibility of SV initiatives with existing procurement regulations and processes. The decision involves a formal commitment to introducing SV measures into procurement strategies, often necessitating policy changes or adaptations (Walker *et al.*, 2012).

Implementation Stage: Following the decision, agencies initiate the implementation of SV initiatives in procurement. They begin with pilot projects or small-scale implementations to test the feasibility and impact of integrating SV criteria (Murray *et al.*, 2010). This phase often involves collaboration with suppliers, stakeholders, and communities to embed SV considerations into tendering processes or contract specifications.

Confirmation Stage: Agencies evaluate the outcomes of SV integration in procurement. Positive outcomes, such as improved community engagement, environmental sustainability, or cost savings, validate the decision to embed SV elements. These outcomes reinforce the commitment to ongoing integration. However, negative outcomes or unanticipated challenges may lead to reassessment or modification of the adopted practices (Bovaird and Loeffler, 2012).

By applying the diffusion of innovation theory to embedding SV in public procurement, agencies follow a structured process that mirrors the theory's staged adoption model. This approach aids in understanding how innovations, in this case, the integration of SV considerations, diffuse within governmental procurement processes.

2.6.3   Justifying the application of TCE and DOI theory

Given that this study investigates SV delivery through municipal procurement and its integration into the procurement process, both TCE and DOI theories are considered essential theoretical lenses. TCE, as reviewed previously (refer to p.43), offers insights into the transactional aspects of SV procurement, emphasising the role of governance structures in mitigating transaction costs. By analysing the cost factors associated with different procurement mechanisms, TCE provides a lens through which to understand how SV considerations and approaches influence procurement decisions and practices or vice-versa. Similarly, the DOI theory provides valuable perspectives on the adoption and spread of innovations within organisations. By examining how innovations, such as SV, are introduced and adopted within the context of municipal procurement, this theory sheds light on the dynamics of organisational change (the introduction of SV policy requirement) and adaptation. It elucidates the factors influencing the diffusion of SV considerations across procurement processes and actors.

By integrating both TCE and DOI theory into the research, a holistic understanding of how SV is embedded in local councils' procurement processes can be achieved. Together, these theories offer complementary insights into the transactional and innovation aspects of SV procurement, facilitating a deeper analysis of the challenges and opportunities in delivering social value through municipal procurement.

2.7   Initial Conceptual Framework

Figure 2.9 Initial Conceptual Framework (Author's own)
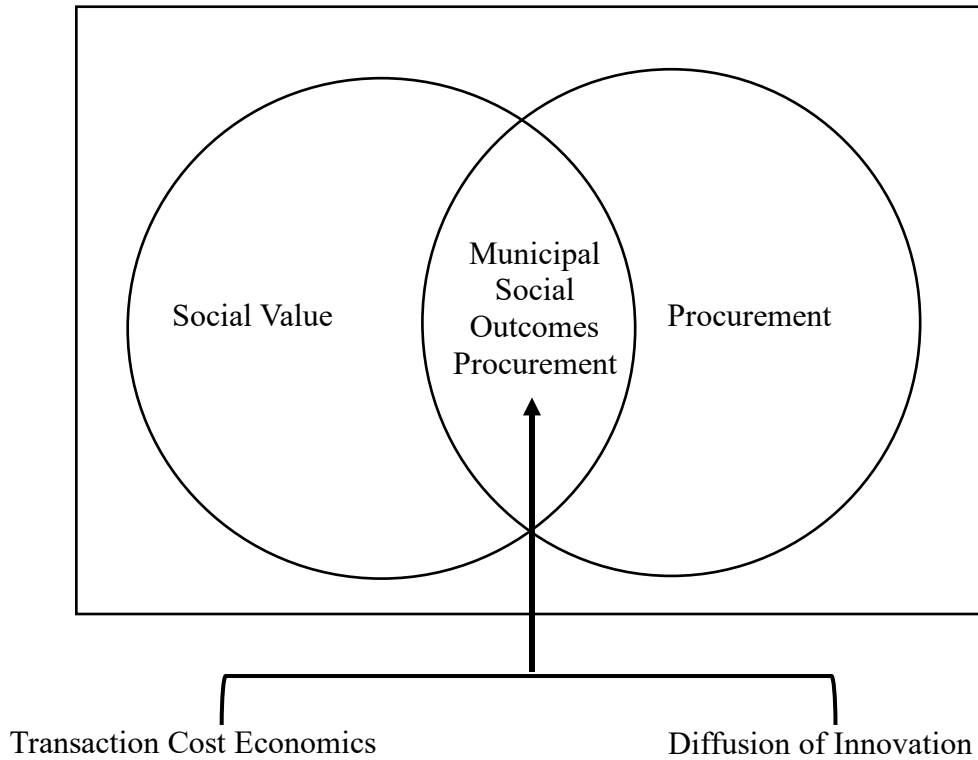
This framework illustrates the interaction between procurement, social value, municipal procurement, social value, transaction cost economics factors, and diffusion of innovation factors. Applying TCE and DOI theory enables the researcher to examine the interplay between inherent factors of each theory, such as the interplay between governance structures, transaction costs, and the diffusion of SV, as they apply to the context of the study. This framework is relevant as it provides a structured approach to investigate how local councils embed SV into their procurement practices and navigate the complexities of decision-making in the procurement process.

2.8   Chapter Summary

This literature review chapter contains essential concepts pertinent to the research. The review examined at the fundamental concepts of contracts and procurement, emphasising their significance in shaping business relationships and driving value creation and the processes it involved. The chapter further discussed value, highlighting value co-creation's importance in contemporary business environments. SV was situated as a

service procurement, shedding light on the evolving role of organisations in contributing to societal welfare. The chapter further identified the various actors involved in SVC, demonstrating the researcher's assumed collaborative nature of this process depicted in the working scenario frameworks. The UK government's approach to delivering SV through procurement was also analysed, providing insights into the SV model aimed at promoting social value outcomes.

Furthermore, the chapter's theoretical framework section reviewed key theories, namely transaction cost economics and diffusion of innovation theory, and justified their adoption in analysing the study data.

Finally, a conceptual framework was developed to guide the subsequent empirical investigation, integrating the key concepts and theories discussed throughout the literature review. Overall, this chapter has laid a solid foundation for the study and provided a roadmap for further research in social procurement and value creation.

3 Research Methodology, Research Choices, and Research Design

3.1 Introduction

This chapter delves into the methodology employed in this research, primarily influenced by Crotty's (1998) research process framework, which encompasses research philosophies, theoretical perspectives, methodology, and methods. Crotty's model was selected for its structured approach, facilitating a clear understanding of how these components interrelate, thereby minimising potential confusion. Having compared this to that of other authors (Creswell, 2009, 2014; Saunders *et al.*, 2009, 2012; Yin, 2003, 2011), the researcher opted for Crotty's due to its clear presentation of how the research elements inform each other (refer to Figure 3.1 for the process). Utilising this model ensures comprehensive coverage of relevant research elements, as Crotty has laid out. Nonetheless, Crotty (1998) suggests that the sequence of these elements is flexible, allowing researchers to exercise flexibility, such as starting from methodology and methods to epistemology and theoretical perspective, contrary to the sequence depicted in Figure 3.1. Regardless of the chosen order, it is imperative to specify and justify the research process explicitly. In line with this suggestion, the researcher has accordingly adjusted the order and titles representing the research process in this study (refer to the Figure 3.1 for the research process adapted for this research).

Figure 3.1 The research process adapted from Crotty (1998, p. 4) presenting the elements as they inform each other in the research.
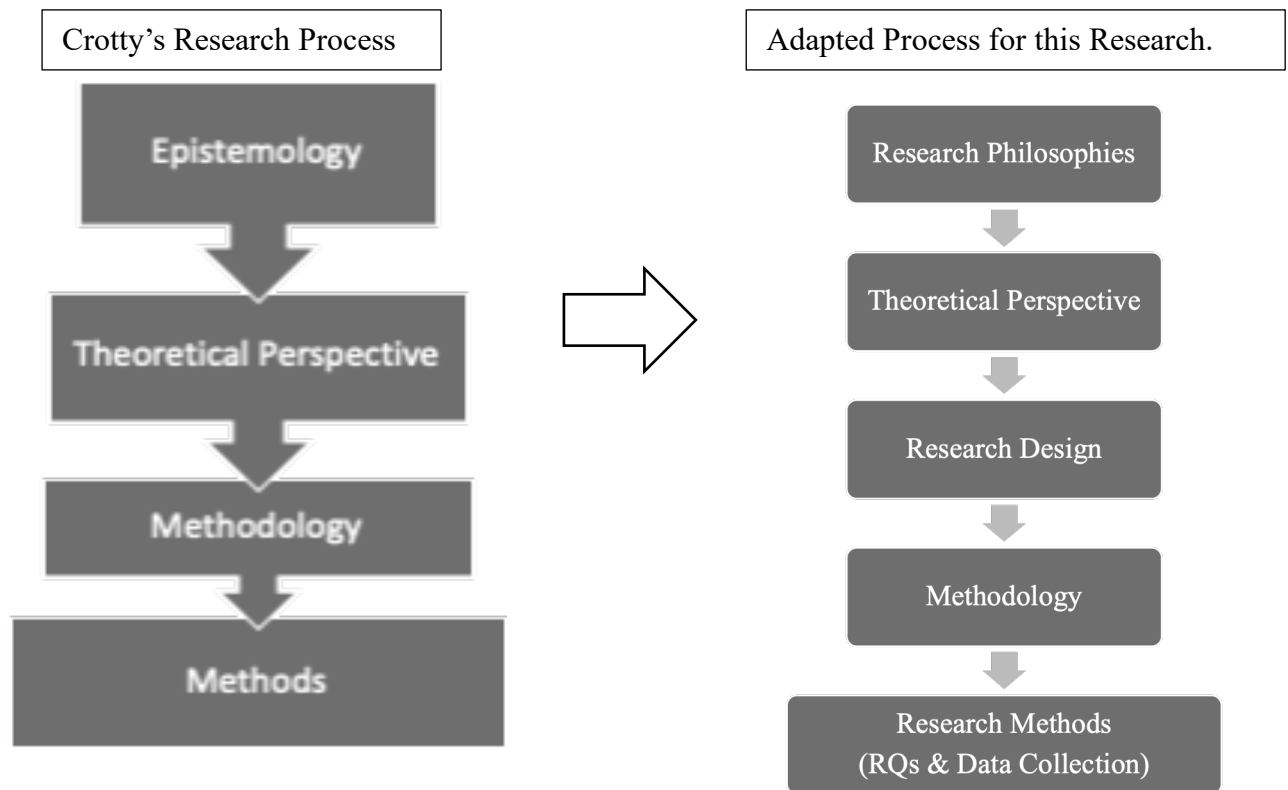
3.2 Research Philosophies

Most research is conducted either to solve a problem or fill the knowledge gap and throughout the research process, assumptions are made regarding human knowledge and the nature of realities encountered (Saunders *et al.*, 2012). According to Crotty (1998), these assumptions influence the formulation of research questions, choice of methods, and interpretation of research findings. Sekaran and Bougie (2016) elaborate that every research undertaking is rooted in beliefs about the world, encompassing the philosophical inquiry into what exists (ontology) and what can be uncovered through research (epistemology) – perspectives that vary among researchers. Thus, researchers tend to take different philosophical positions that appeal to their worldview – ontology and epistemology; this perhaps is why Niglas (2010) recommended that the philosophical positionings be seen as multidimensional continua rather than separate positions. Nonetheless, an understanding of philosophical foundations is not only relevant to the research but also to the audience, as it is argued that it is only when a reader has a sufficient understanding of philosophical principles that social research can be meaningfully and appropriately interpreted (Heberlein, 1988; Newing,

2011). The failure of researchers to understand and acknowledge the principles and underlying assumptions in their disciplines can compromise the integrity and validity of their research design (Moon and Blackman, 2014). Such oversight can further restrict researchers' interpretation of study findings (Sievanen *et al.*, 2012). Therefore, it is invaluable for researchers to understand the principles and assumptions guiding their respective disciplines, as it is seen as a prerequisite and highly desirable during the interpretation of research by other disciplines (Moon and Blackman, 2014).

According to Crotty (1998), the two primary branches of philosophy are ontology and epistemology. However, the author suggests that these branches are intricately linked and challenging to differentiate conceptually within research: 'To talk about the construction of meaning (epistemology) is to talk of the construction of a meaningful reality (ontology)' (Crotty, 1998, p. 10). Consequently, the author advocates for situating ontology alongside epistemology, as both inform the theoretical perspective. Each theoretical perspective embodies a particular way of understanding what is (ontology) as well as a specific way of understanding what it means to know (epistemology) (Crotty, 1998, p. 10)

3.2.1   Ontology

Ontology is the study of being, concerned with 'what is' and the nature of existence (Crotty, 1998, p. 18). According to Saunders *et al.* (2009), ontology represents assumptions about the nature of reality; a researcher's ontological assumptions define how the researcher sees and studies a research object. Likewise, Maykut and Morehouse (2005) take the view that ontology is concerned with the nature of reality and asks a fundamental question: what is the nature of reality? For Moon and Blackman (2014) , ontology is about what exists in the human world, which researchers can acquire knowledge about. According to Rashid et al. (2019), a long-existing debate among philosophers has been about whether reality exists independently or is independent of the researcher. Nonetheless, ontology is categorised into two central ontological positions: realism and relativism.

3.2.2   Realism

An ontological view asserts that realities exist outside the mind (Moon and Blackman, 2014). The underlying assumption of realism is that objects exist independent of the human mind; as such, what we

sense is reality (Saunders *et al.*, 2012). That is, reality exists irrespective of the researcher or observer's perception of it and is governed by natural law, often in the form of cause/effect (Rashid *et al.*, 2019). Realism holds that a single reality exists outside the human mind, and the truth can be studied, understood, and experienced (Moon and Blackman, 2014). This philosophical position relates to scientific enquiry (Saunders *et al.*, 2009). Realism has two types: direct realism and critical realism. According to Saunders *et al.* (2012), the notion of direct realism is that what we experience through our senses portrays the world accurately. On the other hand, critical realism disputes this with the view that reality cannot be understood independently of the social actors involved in acquiring this knowledge because our knowledge of reality is a result of social conditioning. The critical realist is said to be concerned about human's ability to understand the world with certainty – critical realism combines the belief in an external reality rejecting the assertion that this external reality can be measured objectively, noting that observations will always be subject to interpretation, especially for phenomena that cannot be directly observed and measured (Sekaran and Bougie, 2016)

3.2.3   Relativist Ontology

Relativist ontology posits that reality is constructed within the human mind and, as such, relative to each individual experience at a given time and place; therefore, no one true reality exists (Moon and Blackman, 2014; Crotty, 1998). Relativists believe that there are a range of socially constructed realities and that these realities are not governed by natural laws (Guba and Lincoln, 2005)

3.3   Epistemology

Epistemology is seen as the theory of knowledge (Crotty, 1998); (Ladyman, 2007); put differently, it is the theory about the nature of knowledge or how we come to know (Sekaran and Bougie, 2016). According to Saunders *et al.* (2012), epistemology delves into what constitutes acceptable knowledge in a field of study. In line with this perspective, Moon and Blackman (2014, p. 1171) explained that epistemology is 'concerned with all aspects of the validity, scope, and methods of acquiring knowledge, such as what constitutes a knowledge claim; how knowledge can be produced or acquired; and how the extent of its applicability can be determined'.   Researchers need to identify, explain, and justify their adopted

philosophical stance (Crotty, 1998) because it provides the philosophical basis for deciding on the kinds of knowledge that are possible and how we (researchers) can ensure their adequacy and legitimacy (Maynard, 1994, p. 10). According to Crotty (1998), some epistemological stances include objectivism, constructionism, and subjectivism.

3.3.1   Objectivism

Objectivism holds the view that an object's truth and meaning exist on their own and are independent of any observer's consciousness (Crotty, 1998). The underlying assumption is that reality exists outside the individual mind (Moon and Blackman, 2014). Saunders *et al.* (2012) defined objectivism as the position that social entities exist in reality external to and independent of social actors. Saunders et al. (2009) explained that epistemologically, objectivists attempt to discover the truth about the social world by adopting observable and measurable facts, from which law-like generalisations about the universal social reality can be made. According to the authors, this approach incorporates assumptions from natural science, meaning that an objective truth exists and can be discovered using the proper methods.

3.3.2   Constructionism:

Constructionism can be defined as 'the view that all knowledge, and therefore all meaningful reality as such, is contingent upon human practices, being constructed in and out of the interaction between human beings and their world and developed and transmitted within an essentially social context'. The underlying view is that reality is socially constructed (Saunders et al., 2012). Unlike objectivists, constructionists believe that meaning does not reside in objects waiting to be discovered by humans. Hence, meaning is not discovered but constructed (Crotty, 1998). It claims that human beings construct knowledge and meaningful reality as they interact with the world that they are interpreting (Crotty, 1998). Because the interactions between actors are continuous processes, social phenomena are in a consistent state of 'flux' and 'revision' (Sauders *et al.*, 2009, p. 130). Thus, according to the authors, it is critical for a researcher to study a situation in great detail, including historical, geographical, and sociocultural contexts, so as to gain an understanding of events and how realities are being experienced.

3.3.3   Subjectivism

Here, meaning is claimed not to emerge from an interplay between subject and object but is imposed on the object by the subject – the object does not contribute to the generation of meaning (Crotty, 1998). Saunders *et al.* (2009) explained that subjectivism asserts that social reality results from people's (social actors) perceptions and consequent actions. Subjectivists assume that each individual sees the world from a specific place of purpose and interest. Thus, they reject the view that subject and object can be separated ((Moon and Blackman, 2014). As a result, the meaning that constitutes an action is believed to be as important as the action. The subjectivist notion is that social phenomena are created through the perceptions and consequent actions of actors (Saunders *et al.*, 2012)

3.3.4   Guiding Epistemology

Considering Crotty's (1998) assertion that both ontology and epistemology inform the theoretical perspective, conceptually, they will be juxtaposed rather than treated separately in this research. For this study, the researcher aims to interact with the world of procurement and SV via the experiences/views of SV actors identified in the reviewed literature to understand the reality of how procurement may adapt to the dynamics of SV contracting. Therefore, constructionism will be the informing epistemology, considering that the underlying view of this epistemology is that human beings construct knowledge and meaningful reality as they interact with the world which they are interpreting (Crotty, 1998)

3.4   Theoretical Perspective

The theoretical perspective is the second element of the adopted research process (Figure 3.1). Crotty defined the theoretical perspective as the philosophical stance informing the methodology. As people view the world differently, these view differences are said to influence the ways of researching the world (Crotty, 1998). According to Saunders et al. (2012, p. 128), the various philosophical stances that a researcher can adopt include the following: positivism, realism, interpretivism, and pragmatism, most of which have been discussed under the epistemology and ontology section. Nonetheless, see Table for a comparison of the four philosophies according to Saunders et al. (2012, p. 140).

Table 3-1 Comparison of four research philosophies in business and management research (Saunders et al., 2012, p. 140)

	Pragmatism	Positivism	Realism	Interpretivism
Ontology: the researcher's view of the nature of reality or being	External, multiple, view chosen to best enable answering of research question	External, objective and independent of social actors	Is objective. Exists independently of human thoughts and beliefs or knowledge of their existence (realist), but is interpreted through social conditioning (critical realist)	Socially constructed, subjective, may change, multiple
Epistemology: the researcher's view regarding what constitutes acceptable knowledge	Either or both observable phenomena and subjective meanings can provide accept- able knowledge dependent upon the research question. Focus on practical applied research, integrating different perspectives to help interpret the data	Only observable phenomena can provide credible data, facts. Focus on causality and law-like generalisations, reducing phenomena to simplest elements	Observable phenomena provide credible data, facts. Insufficient data means inaccuracies in sensations (direct realism). Alternatively, phenomena create sensations which are open to misinterpretation (critical realism). Focus on explaining within a context or contexts	Subjective meanings and social phenomena. Focus upon the details of situation, a reality behind these details, subjective meanings motivating actions
Axiology: the researcher's view of the role of values in research	Values play a large role in interpreting results, the researcher adopting both objective and subjective points of view	Research is under-taken in a value-free way, the researcher is independent of the data and maintains an objective stance	Research is value laden; the researcher is biased by world views, cultural experiences and upbringing. These will impact on the research	Research is value bound, the researcher is part of what is being researched, cannot be separated and so will be subjective
Data collection techniques most often used	Mixed or multiple method designs, quantitative and qualitative	Highly structured, large samples, measurement, quantitative, but can use qualitative	Methods chosen must fit the subject matter, quantitative or qualitative	Small samples, in-depth investigations, qualitative

Table presents a summary and comparison of the various philosophical standpoints, the theoretical perspectives, and the method of data collection that mainly applies to each. It serves as a snapshot of business and management philosophies to help compare and identify which philosophy may apply to research and a suitable data collection technique.

3.4.1 Adopted Theoretical Perspective

The philosophy adopted in this research is interpretivism, based on the researcher's aim to learn from the subjective experiences of social actors involved in procurement and SV creation (SVC). Interpretivism

suggests that a social scientist is required to understand the subjective meaning of social action (Bryman and Bell, 2015). Unlike the positivist approach which follows the methods of natural sciences, interpretivist 'looks culturally derived and historically situated interpretations of the social life-world' (Crotty, 1998, p. 79). Interpretivism is concerned with understanding the world the way it is from subjective individual experiences, hence asserting the need to put analysis into context (Reeves and Hedberg, 2003). This research is designed to explore real-life situations, with the researcher interpreting the various realities of the phenomenon being studied.

3.5   Research Design

Yin (2011) defined research designs as 'logical blueprints'. According to the author, the logic involves a connection between the research questions, the data to be collected, and the strategies for data analysis to facilitate the study's findings in addressing the intended research questions. According to Creswell (2009), a common way in which research designs have been differentiated is in terms of using numbers to represent quantitative research and words for qualitative or using close-ended questions (quantitative hypothesis) instead of open-ended questions (qualitative). Creswell suggested a more complete way of viewing the range of differences between research designs. According to this author, the differences lie in the philosophical assumptions that the researcher brings to the study, the types of research strategies used in the research (e.g., quantitative experiments or qualitative case studies), as well as the specific methods employed in carrying out these strategies (e.g., quantitative collection of data on instruments as opposed to qualitative data collection via observation of a setting). Ketokivi and Choi (2014) also countered distinguishing quantitative and qualitative research based on the nature of the data collected and called it misleading. To the authors, the distinction should not be established based on the data or the method of analysis used but on the researcher's fundamental theoretical orientation because, amongst other instances, one can be theoretically quantitative in measuring anything. One example is the comparison of cases using measurable features during a cross-case analysis (Ketokivi and Choi, 2014a, p. 233).

The three research designs are explained in the following sections according to the work of Creswell (2009), including the definition provided by Ketokivi and Choi (2014), to differentiate quantitative and qualitative research:

3.5.1   Qualitative Research

This is a way of understanding the meaning ascribed to a social or human problem by individuals or groups. Using this form of research, the process involves developing questions and procedures; data are typically collected in the participant's setting. Under this setting, the collected data are analysed inductively, building from a particular to a general theme. The researcher interprets the meaning of the data collected (Creswell, 2009, p. 4).

3.5.2   Quantitative Research

Quantitative research involves testing objective theories by examining the relationship between variables, which can, in turn, be measured on instruments to analyse numbered data using statistical procedures. Those involved in this form of research propose testing theories deductively, building protections against bias, controlling for alternative explanations, and having the ability to generalise and replicate the findings (Creswell, 2009, p.4).

Ketokivi and Choi (2014) distinguished both research approaches by explaining that qualitative research examines concepts in terms of their meaning and interpretation of specific contexts of inquiry, while quantitative research examines concepts in terms of amount, intensity, or frequency.

3.5.3   Mixed Methods

This approach combines both qualitative and quantitative design. It involves philosophical assumptions, the adoption of qualitative and quantitative approaches, and combining both approaches in a study (Creswell, 2009).

3.5.4   Adopted Research Design

The research design adopted in this study is qualitative research, as it aims to understand the phenomenon being studied via the lens and experiences of individuals or groups selected for this study (participants). It

allows for concepts to be examined based on their meaning and interpretation within a specific context of inquiry (Ketokivi and Choi, 2014b).

3.6   Choice of Methodology

Methodology can be seen as the strategy, plan of action, process or design behind choosing methods for the desired outcomes (Crotty, 1998, p.10). There are various strategies available to researchers, but according to Yin (2003), the peculiarity of each research strategy is dependent on three conditions:

1.   The type of research question

2.   The control an investigator has over actual behavioural events

3.   The focus is on contemporary as opposed to historical phenomena

Furthermore, the nature of the situation under study determines the research strategy that will be suitable.

Table 3-2 Relevant situations for different research strategies (Yin, 2003, p. 5)

Strategy	Form of RQ	Requires controls of behavioural events?	Focuses on contemporary events?
Experiment	How, why?	Yes	Yes
Survey	Who, what, where, how many, how much?	No	Yes
Archival analysis	Who, what, where, how many, how much?	No	Yes/No
History	How, why?	No	No
Case study	How, why	No	Yes

Table compares different research strategies based on varying situations and conditions such as those identified above as proposed by Yin (2003). As seen in the table, the type of research question, the need for control of behavioural events, and the focus on contemporary as opposed to historical events all constitute what differentiates the research strategies from each other. Based on the comparison demonstrated in Table , a qualitative case study appears to be the right fit for this research. The table highlights that a case study is ideal for research that aims to answer 'how and why' RQs, where the researcher has no control of actual behavioural events but focuses on contemporary events rather than historical phenomena. The main research question for this study is 'How can procurement adapt to the dynamics of SV contracting?' This

'how' question aims to gain information that explains ways in which procurement can adjust to the changes in SV contracting and does not deal with frequencies or incidences. Given the nature of this study, the researcher has no control over the actual behaviour of events. Hence, a qualitative case study seems suitable for this research.

3.6.1 Qualitative Case Study

Qualitative case studies are 'empirical research that primarily uses contextually rich data from bounded real-world settings to investigate a focused phenomenon' (Barratt *et al.*, 2011, p. 329). According to (Stake, 2006, p. 3), 'qualitative case study was designed to study the experience of real cases operating in real situations'. Thus, it is a scientific approach that attempts to scientifically ground theoretical concepts with reality (Stuart *et al.*, 2002, p. 420). Furthermore, case studies are said to be primarily used to answer the how and why questions (Yin, 2003; Punch, 2005) when the researcher has no control over the event and when the focus of the research is on a contemporary phenomenon within some real-life context (Yin, 2003, p. 1). This study meets these conditions, as outlined in Table , because not only does the main RQ ask a 'how' question, but the researcher's focus is also directed towards a somewhat contemporary phenomenon – SV. Furthermore, the degree to which relevant behaviours are manipulated is little to none in this research. For its purpose, doing case research would allow this study to explore the phenomenon under study in real-life contexts.

3.6.1.1 Case Selection

Stake's (2006) approach to conducting a qualitative case study will be the guiding principle when selecting the cases for this study. The case study approach can use single or multiple cases. According to Stake, the case is a functional, dysfunctional, rational, or irrational system. It also has an inside and an outside, with certain components lying within the system and boundaries of the case while some features lay outside. These external features are said to help define the context and the environment of the case and what the case researcher considers and selects for study. According to Stake, only a few of the features can be studied thoroughly because most of the essential activities of the case are recognisably patterned, and the researcher seeks both coherence and sequence.

One of the concerns with case studies is in the selection of cases. Voss et al. (2002) explained that a dilemma arises on the number of cases researchers should select. Stake (2006) pointed out that choosing fewer than four or more than ten cases will limit the benefit of a multi-case study. Also, two or three cases need to show more of the interactivity between programs and their situations. In contrast, fifteen or thirty cases provide more uniqueness of interactivity than the research team, and readers can come to understand (Stake, 2006, p. 22). Despite these concerns, the author explained that for good reasons, some researchers still go on to study fewer than four or more than fifteen cases. Eisenhardt (1989, p. 545) also confirmed that between four and ten cases 'usually works well' and cautioned that less than four cases may prove difficult to capture how complex the real world is. More than ten may prove difficult for the researcher to process the information cognitively. These recommendations were nonetheless countered by Dyer and Wilkins (1991), who argued that single case studies enable in-depth study of the case's context.

Based on the above discussions about the diverse authors' views on case study types, it can be said that a researcher may use a single case or multiple cases to study a phenomenon, and each has its pros and cons; using a single case creates room for an in-depth study to be carried out (Flyvberg, 2006; Yin, 2018). However, it may restrict view and understanding to that case only, so findings may not be generalisable (Stake, 2006) as with multiple case studies, which allows for variety and different contexts to be studied. However, this may result in too much information, which may prove difficult for the researcher to capture, thereby making the case study too shallow.

This research utilises a single case study based on London Borough in the UK. Given that there are individual councils that makeup London Borough, an embedded single-case design (Yin, 2003) will be used to guide the study in understanding how the embedded cases [councils] operate to reflect the more significant case based on the context of the study.

The selection of a single case study approach for this research, with a specific focus on councils within London Borough, is aimed at gaining rich insights into SV delivery through municipal procurement and how councils navigate SV complexities and embed SV in the procurement process. A single case study is deemed appropriate due to the localised nature of the study, focusing specifically on councils within London boroughs. According to Yin (2014), single case studies are particularly effective for exploring complex

phenomena within specific contexts, allowing for an in-depth analysis of unique circumstances and processes. Also, the research aims to comprehensively understand SV delivery through municipal procurement, necessitating detailed examination and analysis. As argued by Stake (1995), single case studies provide an opportunity for deep exploration and a detailed description of phenomena, enabling researchers to uncover intricate details and patterns within a single setting. Navigating the complexities of SV and embedding it within the procurement process requires a thorough investigation of strategies and mechanisms employed by councils. According to Flyvbjerg (2006), single case studies are well-suited for exploring causal mechanisms and relationships within a specific context, facilitating the identification of factors influencing the integration of SV in procurement processes.

3.6.2 Sampling

The snowball sampling technique will be used to select the ideal participants for this study. Snowball sampling is a non-probability sampling procedure in which initial respondents are contacted, and subsequent respondents are obtained from information provided by initial respondents (Saunders *et al.*, 2012, p. 682). This sampling technique's networking features and flexibility have made it a popular means of getting participants from a difficult-to-reach population (Parker *et al.*, 2020). With the snowball technique, the research starts with small initial contacts known as seeds; these contacts are then asked to recommend other participants within their network who also fit the research criteria; after agreeing to participate, the latter group are then invited to recommend and so on. The chain continues to grow like a rolling snowball (Ariasepehr and Ahmadzadehasl, 2010), and the researcher continues sampling until sampling saturation is reached – the researcher continues to interview the sample participants until no significant new data is obtained from further sampling (Geddes *et al.*, 2018; Parker *et al.*, 2020). Saunders et al., (2012, p. 682) recommended that to recruit participants using the snowball technique, the researcher needs to take the following steps:

- Make contact with one or two cases in the population
- Ask these cases to identify further cases
- Ask these new cases to identify further new cases (and so on)

- Stop when either no new cases are given or the sample is as large as is manageable (sample saturation) (Saunders *et al.*, 2012, p. 289)

Based on the literature reviewed for this research, three actors involved in SV creation within contract procurement have been identified. The actors are the buyers, providers, and host community. A framework was developed to demonstrate the potential nature of the relationship (triad) between these actors and how SV information and its delivery flow amongst actors. To gain the data required for this research, these actors (mainly the buyers and providers – critical players in SVD) are considered potential participants. However, these actors are not easily reachable; thus, using a snowball technique will enable the researcher to reach participants.

Given that the main case is London Borough, the target participants would be local councils within London Borough and their suppliers. These entities are considered suitable for this study because, on one side of the triad, the local council represents buyers who also procure SV as part of a contract, abiding by the UK government procurement policy. On the other hand, the suppliers would represent direct providers of SV, working with the councils to deliver the SV.

To qualify for the interview, the role of potential participants must ideally be at least one of the three roles: management, administrator, and employee, and must be connected to the procurement and/or delivery of SV. These roles apply to participants from the buyer organisation and the provider organisation. From the buyer side, potential participants occupying any of the listed roles will also need to be in contact with the supplier/provider, and participants from the supplier side will also need to have been involved in SV procurement activities. Regarding the number of interviews to be conducted per embedded case, the researcher aims to interview as many sample participants as possible but will be mindful of sampling saturation, stopping when no significant new data is obtained from further sampling (Parker *et al.*, 2020).

3.6.3   Methods for Data Collection and Triangulation

The last element of Crotty's (1998) research process (see Figure 3.1) is 'Methods'. According to the author, methods governed by the methodology refer to the techniques and procedures used for gathering and

analysing data related to some research question or hypothesis. Before specifying the data collection method for this study, the research questions and aims have been restated to guide the reader.

Research Questions (RQ)

Due to the nature of the research and to gain more insight into the study, an overarching RQ was designed, with further RQs being put into subcategories.

Main RQ: How can procurement adapt to SV contracting?

RQ1 What is the real-world interpretation of SV, and how does it align with academic definitions?

RQ2 How is SV procured and embedded in the procurement process?

RQ 2.1 How easy or difficult is it to contract for SV delivery through procurement?

RQ 3 How do the beginnings and endings of procurement contracts affect the associated SV?

RQ 3.1 How is SV delivery captured beyond the associated procurement contract?

Research Aims

The research attempts to explore:

- The empirical and theoretical interpretations of SV
- The way (approach) SV is procured and how it is integrated throughout the procurement process by the buying organisations.
- The effect of the participating actors' approach on SV delivery through procurement
- The possible long-term delivery of SV throughout and beyond the procurement process of the attached contract.

In a nutshell, the study aims to investigate the adaptation of procurement processes to SV contracting and explore the alignment between real-world interpretations of SV and academic definitions. By doing so, the study hopes to contribute to the ongoing conversation on SV and social procurement by providing insight

into how local councils procure and embed SV delivery in the procurement process. Additionally, this research intends to shed light on some of the identified challenges with the management and delivery of SV from both the buying organisation (councils) and the providers, as well as how these challenges may be addressed for a more sustainable SV.

Having restated the RQs and aims, the following section presents a detailed overview of the guiding data collection strategies, participant recruitment methods, interview procedures, and the approach to data analysis.

3.6.3.1   *Data collection strategies*

This section signifies phase 2 of the key phases of this research (see Figure 1.1); however, the chapter lays the background for understanding and specifying the applicable data collection and analysis strategies.

Data collection is among the critical steps in conducting research, as a project cannot be researched if the required data is inaccessible or unavailable (Quinlan, 2011). It is through this act that information is gathered to achieve the purpose of the research. For example, collected data can enable researchers, scientists, and other scholars to achieve purposes such as making sense of a phenomenon being studied, understanding reality, and generating or testing theory. Data can be collected in its primary (primary data) or secondary (secondary data) form. Primary data are information gathered directly or observed first-hand by the researcher (Quinlan *et al.*, 2019). They are original information or first evidence of a phenomenon under study and are gathered from primary sources, also referred to as original sources (Quinlan, 2011). Secondary data, on the other hand, is information initially gathered for other purposes (Saunders *et al.*, 2019; Blumberg *et al.*, 2014) that a researcher could also use. Although from secondary sources, secondary data often builds on primary sources (i.e., it provides an account of something written about a primary source) (Quinlan, 2011).

There are varieties of ways to collect either primary and/or secondary data; they include the use of visual observation, interviews (structured – fixed interview tool or semi-structured – interview tool is updated as data emerges), surveys, experiments, archives, and documents (audio, text, or visual media) (Barratt *et al.*, 2011). Data generated from these sources could be in qualitative or quantitative form, thus yielding

qualitative and quantitative data, respectively, which, according to Quinlan *et al.* (2019), are essentially the two different kinds of data. The authors further explained that qualitative data are by their nature non-numerical, while quantitative data are in the form of numbers or data that can easily be transformed into numerical data. With regards to the technique to use, a researcher may choose to use any or a combination of the discussed techniques to collect data, but to ensure high-quality research, the chosen option(s) must be valid and suitable for the research that it is selected for (Draper and Swift, 2011; Quinlan et al., 2019).

3.6.3.2   *Data Sources and Data Collection Techniques*

This section details where and how the researcher gathered the data needed for this research. Since the researcher must choose a data collection technique suitable to answering the research question, the questions this research attempts to answer are restated to enable the reader to relate them to this section.

Main RQ: How can procurement adapt to SV contracting?

RQ1 What is the real-world interpretation of SV, and how does it align with academic definitions?

RQ2 How is SV procured and embedded in the procurement process?

RQ 2.1 How easy or difficult is it to contract for SV delivery through procurement?

RQ 3 How do the beginnings and endings of procurement contracts affect the associated SV?

RQ 3.1 How is SV delivery captured beyond the associated procurement contract?

To address the RQs, data are collected from both secondary and primary sources. The secondary data for this study are mostly derived from scholarly literature to explore ongoing scholarly conversations on key concepts such as the meaning of SV, contract procurement, and the connection between both concepts. The secondary data also included in this study are online documents (local council's SV policy) published by the local councils about their SV plan and, in some cases, their delivery of SV through procurement. These data were mainly collected from the websites of the UK government and the councils constituting the case participants. The essence of utilising these data from the local councils was to (1) learn more about the participants and the case before the interview, as it is beneficial for a researcher to have reasonable knowledge of the case and the participants before collecting empirical data (Rashid *et al.*, 2019); and (2)

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observe and corroborate some of the information provided during the interview to validate and increase confidence in the quality of the data collected, which are some of the benefits of collecting data from multiple sources (Barratt *et al.*, 2011; Creswell 2014; Flick *et al.*, 2004).

For the primary data collection, semi-structured interviews were conducted with participants who were selected through snowball sampling based on the case selection criteria designed for this study. A semi-structured interview is one of the ways of collecting qualitative data; it focuses on exploring the phenomenon from the different perspectives of the interview participants (Quinlan *et al.*, 2019). Thus, the interviewer needs to create an environment that encourages the participants to express their thoughts and ideas on the phenomenon being studied and is flexible enough to allow the conversation to flow and evolve beyond the preexisting themes or questions (Ahlin, 2019; Quinlan et al., 2019; Ravitch and Carl, 2015). Researchers would often begin a semi-structured interview with a set of questions (Ahlin, 2019). Still, they need to adjust to the ongoing conversation and ask further relevant follow-up questions where there is a need for the participant to explain or build on their previous response (Ahlin, 2019; Saunders et al, 2019; Quinlan et al., 2019)**.** Such probing questions and the flexibility of this interview approach provide the interviewer with rich and detailed information from multiple perspectives (i.e., participants' perspectives) on the concept or phenomenon being studied (Ahlin, 2019). It also may lead the conversation in a direction that the interviewer had not considered before the interview but is important in areas such as understanding the phenomenon and addressing the research objectives (Saunders *et al.*, 2019). The authors further explained that semi-structured interviews are typically important when adopting an interpretivism philosophy. This philosophical stance allows the researcher to understand the subjective meaning ascribed to social action (Bryman and Bell, 2015).

A semi-structured interview is considered suitable for this research for the following reasons.

1. This research is a qualitative case study research, which, by its nature, requires the collection of qualitative data.
2. The literature reviewed earlier suggests that the discussions of the concept of SV seem to be focused mainly on the creation phase, with less attention on how SV is managed and the impact of the procurement phases on its sustainability. As such, there appears to be less information on

areas like what happens to SV at the beginning and at the end of a contract to which it is associated and how procurement lifecycles impact SV (i.e., procurement initiation and termination phases, which are what this research explores). Understanding these key areas means engaging with the social actors responsible for the delivery and management of SV to learn about their real-life experience of the phenomenon.

3. As previously reviewed literature has presented diverse interpretations of SV, it can be agreed as in Payal's (2018) study, that the concept is a social construct that is subject to the interpretations of the social actors. Therefore, it appears relevant for this research to use semi-structured interviews to understand how SV is interpreted, embedded, and managed in real-life settings within the context of the study. This will mean focusing on the participants' realities, which is what qualitative research is meant to record (Quinlan *et al.*, 2019)

4. This research is informed by the interpretivism philosophy, and as stated in the review of the methodology chapter, Saunders *et al.* (2019) posit that semi-structured interviews are mostly suitable for this philosophy, enabling the researcher to understand the SV concept from the practical experience and perspectives of the participants and interpret the data within the context of the study.

Finally, for this subsection, it is important to note that the conceptual framework (see Figure 2.9) outlined in chapter two of this thesis was also used as the guiding framework for both the collection and analysis of data for this study to ensure that the interplay between TCE and DoI theories was systematically explored. For example, each interview question, influenced by the RQs, was mapped against applicable theory to ensure that the inherent factors within these theories, as reviewed in sections 2.6.1 and 2.6.2, were captured. Using this framework helped to understand the dynamics between the buying organisation – local councils, suppliers and the communities in embedding and delivering SV through procurement practices

3.6.3.3   *Data Triangulation*

Triangulation is fundamental in qualitative research to enhance the credibility and validity of findings by integrating multiple data sources, theoretical perspectives, and methodologies (Flick 2004).   It is widely employed in social science research to bolster confidence and validity by employing two or more research methods (Rothbauer, 2008). In studies utilising semi-structured interviews, triangulation is particularly

effective in aligning qualitative data with textual and secondary literature, mitigating potential biases associated with each source (Thurmond, 2001).). Easterby-Smith et al. (2021) described data triangulation as collecting data from various sources or at different times, with its strength lying in corroborating findings across data sources. For example, integrating interview data with document analysis can shine a light on any inconsistencies between policy and practice, thus enabling a more holistic understanding of the phenomenon being studied (Meijer, Verloop, & Beijaard, 2002).

This PhD study on embedding social value in procurement adopts methodological triangulation by combining semi-structured interviews with public procurement professionals and their suppliers, document analysis of London borough councils' social value statements, and an extensive literature review. Each method offers unique contributions: interviews provide in-depth, context-specific perspectives, document analysis sheds light on organisational policies and commitments, and the literature review situates the study within the broader academic discourse. By synthesising these data sources, the study facilitates cross-validation and identification of patterns of convergence or divergence in findings (Flick 2018). Thus strengthening the reliability of the study's conclusions, specifically when addressing complex issues such as embedding and delivering SV through municipal procurement

3.6.3.4   Participants Recruitment Process

The target population for this research is London Borough Councils and their suppliers. The researcher made initial contact by sending an introductory email to 33 councils inviting them to participate in the interview. Included in the email was the research information sheet (please see Appendix 1), which provided details including the project title, aim, the researcher's details, the study procedure, nature of the interview questions, relevance of the project, privacy and confidentiality statement, confirmation of ethics approval by the University, and compensation and risks statements. In the first few months, responses were low, and the researcher took the following steps to attempt to increase the response rate: (1) the researcher sent multiple reminder emails at different times; (2) the researcher's supervisor two also sent follow-up emails to invitees; and (3) the researcher attended a virtual session where local authorities have SV meetings and presented the research to the group of councils' procurement officials, soliciting their participation in the interview.

3.6.3.5   The Interview Process

3.6.3.5.1   Before the Interview

Before conducting the interview, semi-structured interview questions were designed to allow the researcher to explore SV delivery through procurement from both the buyers' (local councils) and the suppliers' perspective. The main focus was understanding how SV is embedded, managed and impacted by the beginning and end of procurement contracts. As illustrated in Figure 2.9, this study adopts a multi-dimensional perspective to explore how SV is embedded in the municipal procurement process to achieve social outcomes and how some factors highlighted in the TCE and DoI theories influence this integration and delivery of SV through procurement. The decision to carry out semi-structured interviews aligns with the framework's emphasis on exploring governance structures and innovation diffusion.

The researcher tabulated the research questions and interview questions in a grid to match one against the other and document what each interview question is expected to achieve based on the research questions and research aim. The conceptual framework also informed the interview questions – Figure 2.9 with emphasis on transaction cost considerations (such as those associated with embedding and delivering SV), governance structure (for instance, supplier and community engagement mechanisms), and the process of innovation diffusion (e.g adoption of SV practices across departments within buying organisations and the suppliers). The tabulation of the interview questions is not to restrict participants' responses but an effort to ensure that the researcher stays within the aim of the research and maintains focus on answering the RQs. The table was reviewed with the lead supervisor and edited at different times where necessary before being used for the interviews. Before the interview, participants who agreed to the invitation were emailed a consent form (please see Appendix 2) to read, sign, and return to the researcher. The information sheet was also attached for easy accessibility in case they wanted to refer to it again before signing the consent form. It is important to add that as the research continued to evolve, the title of the thesis was modified accordingly. Nonetheless, this does not imply a drastic deviation from the details provided to the participants. Having clarified this, the consent form attached to the appendix bears the title presented to the participants to ensure transparency.

3.6.3.5.2   During the Interview

According to Sekaran and Bougie (2016), to obtain informative and truthful responses, the researcher/interviewer should be able to make the participants feel reasonably at ease to give such information without being afraid of adverse repercussions. Bearing this in mind at the start of the interview for this research, the researcher took steps to ensure that the participants felt relaxed. The researcher started by explaining and reassuring each interviewee that the exercise was not to judge their performance on SV delivery but to gain insight into how they perceive, embed, and manage SV delivery through their procurement. Afterwards, the researcher again sought the participant's consent, this time verbally, to record the conversation and then started the conversation with, 'Tell me about your role and how long you have been on it.' After setting a relaxed scene, the researcher then asked the already documented interview questions, but with some level of flexibility (i.e., in some instances, the researcher asked the questions in the order that facilitates a smooth-flowing conversation), depending on the direction of the participant's response but still maintaining focus with the interview guide. This approach to interviewing aligns with the interpretivism approach, which allows the researcher to be flexible and contingent in addressing key points of the study by asking questions in varying order depending on the conversation and the nature of data shared by the participant (Saunders *et al.*, 2019). According to the authors, this approach may also result in the emergence of new themes which the researcher may explore. The researcher also used probes and follow-up questions that were not predetermined to ask participants to explain their ideas in more detail or, in some instances, to elaborate on their responses (Creswell, 2009). This clarification is very important since words may have multiple and unclear meanings (Saunders *et al.*, 2019). As the interview progressed, new themes and information that the researcher did not anticipate were emerging, and the researcher made adjustments by including additional questions to the interview questions to gain more insights. One may wonder if such alterations are acceptable during a study. Still, according to Eisenhardt (1989), such flexibility is legitimate for theory building since the researcher attempts to understand each embedded case in as much depth as possible. The author termed this flexibility as controlled opportunism to emphasise that it is not permission to be unsystematic but rather an opportunity for a researcher to take advantage of emerging themes or new lines of thought if the resulting information will better ground the theory or provide new theoretical insight.

A total of 17 interviews, including a pilot study, were conducted for this research. This comprises 10 participants from the local councils and 7 participants from the supplier side. A mapping of the participants' profiles can be seen in Table 3-3 below and also in Appendix 3, showing their role length and experience in procurement and SV from those who responded to the questions about themselves. The semi-structured interviews provided an opportunity to gain in-depth insight from 10 buyers and 7 suppliers. The interview questions were focused on the participants' experiences in areas such as embedding SV in the procurement process and the relationship/the flow of SV activities between the buyers, suppliers and community to evaluate how these actors are engaged during SV integration and procurement, and how well SV is embedded in the procurement process. For example, participants' discussion on how they engage the community shaped the flow of SV activities depicted in the proposed frameworks (see figure Figure 6.1 and Figure 6.2). These qualitative insights allowed for the understanding that rather than being linear, SV requires a dynamic interaction between stakeholders at multiple levels, which is central to the proposed frameworks, for meaningful and effective delivery. As explained in section 3.6.3.6.1, these questions were shaped by the RQ and conceptual framework (Figure 2.9) to ensure that the overarching goals of this study were captured and met.

When the interviews did not provide new significant data that suggested sustainable SV, that is, SV being delivered beyond the end of a procurement phase, the researcher assumed data saturation (Geddes *et al.*, 2018; Parker *et al.*, 2020). It is worth mentioning that during the data collection process, the researcher learned that two councils merged; as a result, they were headed by one individual who may be the chief procurement officer (CPO). This partnership may have reduced the expected number of participants. Also, during the conversations, the researcher learnt that some councils that are not fully engaged in SV may not be willing to participate in the interview. As such, only those who have something to demonstrate about the subject would be more inclined to accept the interview invite. This information came from different sources, and one of the rejection responses that was received confirmed the likelihood of the information being accurate.

Table 3-3 Case Participants' Profile

No.	Role at the time of the interview	Length of experience in procurement (years)	Length of experience in SV procurement

			(years)
1.	Chief procurement officer	14	n/a
2.	SV co-ordinator	3	2
3.	Chief procurement officer	10	
4.	Procurement officer: practitioner work of delivering tendering and procurement	5	1
5.	SV coordinator	n/a	1
6.	Chief procurement officer	14	n/a
7.	Head of X project	5	1
8.	Strategic function manager and lead officer for insourcing initiatives	8	n/a
9.	Social value manager	14	n/a
10.	Head of procurement for 2 councils	13	n/a
11.	Social value manager	5.5	n/a
12.	Social value officer	4	2
13.	Social value manager	5	2
14.	Senior procurement officer	9	4
15.	Procurement lead	7	3
16.	Category Manager (Construction)	6	2
17.	Procurement-Social Value advisor	4	3

The interview conversations were recorded to allow the researcher to document the conversation and transcribe and analyse the data gathered.

3.7 Ethics Consideration

To gain access to the participants, consent will be sought from the participants using a consent form designed by the researcher, clearly explaining the details of the research and the role of the participants. The form also includes details and permission requests to record, as the researcher plans to record conversations during the interview. In the case where the internal document(s) is useful to support the case study, the researcher must get permission from the organisation and owner of the document where the document is the property of another party outside the organisation. Obtained document(s) will be stored safely at the researcher's home, except if the university or organisation says otherwise. Also, all audio recordings will be securely stored on the researcher's password-secured devices. Audio recordings during the interviews were transcribed, and the participant's details will be kept anonymous. Having received research ethics approval, the researcher conducted the research by the research ethics guide from London Metropolitan University.

3.8 Method for Data Analysis

3.8.1 Introduction

As mentioned in the methodology chapter, there are two main datasets – quantitative and qualitative data; consequently, there are two different ways of analysing data – quantitative and qualitative data analysis (Qunilan *et al.*, 2019). According to the authors, as quantitative datasets are number-based, their analysis involves using statistical methods to analyse numerical data. With qualitative data analysis, non-numerical data (e.g., texts and images) are analysed without drawing on statistics or statistical methods. Since this research is a qualitative case study, the focus here is on qualitative data analysis. Qualitative data analysis involves making sense of image and text data (Creswell, 2009). In qualitative research, the process of data collection and data analysis are interrelated and interactive as they enable the researcher to identify relevant themes, patterns, and relationships that emerge from data collection (Saunders *et al.*, 2019). Although there

are a variety of ways in which data can be analysed (e.g., thematic, discursive, and content analysis), the important thing is to ensure that the chosen data analysis approach is suitable to the research data and the entire project (Quinlan *et al.*, 2019). This research adopts a thematic method of data analysis, which covered in the thematic analysis section

3.8.2   Thematic Data Analysis

Thematic analysis (TA) can be referred to as 'a foundational method for qualitative analysis used for identifying, analysing, and reporting patterns (themes) within data' (Braun and Clarke, 2006, p. 78, 79). A theme captures relevant aspect(s) of the data, preserves the main research question(s), and represents patterns and meanings within the dataset (Braun and Clarke, 2006; Stake, 2006). When it comes to deciding which part of the dataset should be considered a theme, Braun and Clarke (2006) believe that there's no hard and fast rule when doing qualitative analysis. Therefore, the researcher's judgment is important in deciding a theme. TA offers researchers flexibility in the sense that it can be a method applied from any theoretical paradigm and, therefore, can be a method that is used to reflect reality or to unpick or unravel the reality surface (Braun and Clarke, 2006; Saunders et al., 2019).

Nonetheless, Braun and Clarke caution that it is vital that researchers make explicit the research's theoretical positioning as it guides how data is interpreted and informs how meaning is theorised. For this reason, it is important to restate that the theoretical position informing this research is interpretivism. TA works for different research philosophies because it can be used as a standalone analytical process or technique instead of being a part of a theoretically mounted methodological approach (Saunders *et al.*, 2019, p. 652)

Although there is no standard guide to qualitative data analysis, it should nonetheless be unsystematic(Braun and Clarke, 2006; Yin, 2011). As such, researchers follow steps suitable for their study. For this research, the researcher followed the process proposed by Braun and Clarke (2016) as a guide to analysing the data.

	Phases	Description of the process
1.	Familiarising yourself with your data	Transcribing data (if necessary), reading and rereading the data, noting down initial ideas
2	Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire dataset, collating data relevant to each code
3	Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential themes.
4	Reviewing themes	Checking if the themes work in relation to the coded extracts (Level 1) and the entire dataset (Level 2), generating a thematic 'map' of the analysis
5	Defining and naming the themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme
6	Producing the report	The final opportunity for analysis. Selection of vivid, compelling extract examples, the final analysis of selected extracts, relating back of the analysis to the research questions and literature, producing a scholarly report of the analysis

Table presents the different phases adopted in data analysis for this research, as Braun and Clarke (2016) proposed. However, it is worth noting that, as some authors have stated, following the process does not imply that data analysis is a linear process that moves from one phase to the next. Instead, it is an interactive and recursive process – the various phases are interrelated and can be visited in a different order, including

a back-and-forth movement as many times as needed to refine the coding and data categorisation where necessary throughout the process (Braun and Clarke, 2006; Creswell, 2009; Saunders et al., 2019). The following section presents details of the different phases executed in the study.

3.8.2.1 *Data Analysis Process*

The conversations must be transcribed since the interviews were recorded using a device. The researcher started using transcription software to transcribe the interview but had to manually listen to the audio and cross-check the transcript to make necessary corrections. Afterwards, the researcher read through the data to gain a holistic understanding before rereading to make notes of initial ideas and to continue familiarising with the data. The interview transcripts were then uploaded to NVivo, a computer-assisted qualitative data analysis software (CAQDAS), to enable the researcher to search for interesting and relevant study aspects and code them. Coding is essential to data analysis and is used to categorise aspects of the dataset with similar meanings by labelling those aspects with a code that summarises the meaning of the extract (Saunders *et al.*, 2019). While coding, the researcher used the annotation function of the software to make notes or comments on data sections that brought new thoughts or insights useful for the research. Since, as reviewed literature suggests, it is the judgment of the researcher to decide what should be coded, the researcher chose to code the data inductively to explore all possible meanings within the dataset while maintaining focus using the research questions (Saunders *et al.* 2019). Conducting a thematic analysis analysis allowed for a systematic analysis of the data points which contributed directly to the development of Figure 6.1 and Figure 6.2, a demonstration of the flow of SV activities between actors for effective integration and delivery of SV through procurement – a more integrated approach to SV in procurement.

3.9   Chapter Summary

This chapter provided an analysis of the research methodology for empirical study following Crotty's research process. It presented an overview of the methodology, detailing guiding methodology and justifying its applicability with a case study approach being utilised. This research involved interviews with procurement representatives from London Borough Councils and their suppliers, all engaged in SV delivery. The data was coded and analysed thematically using NVivo to generate themes from within the collected interview data. Guildhall School of Business, London Metropolitan University, provided ethical

approval for this research study. The chapter concluded with the highlights of the limitations faced by the researcher in executing the entire study. The following chapter will present the analysis and findings of the case data from both primary and secondary sources.

4 Case Data Analysis and Findings

The data analysis chapter constitutes the first part of the third key phase of this research (see Figure 1.1). This phase includes the thematic analysis of the data to generate themes and the analysis of the findings.

4.1 Introduction

This chapter presents the findings from the data analysed to answer the research questions guiding this study. The data presented here includes empirical data from semi-structured interviews with case participants and the participants' SV policy. The SV policy is a statement used by the councils to demonstrate their understanding and approach to embedding SV in their procurement. Each council has its own SV policy tailored to suit the council profile (see literature review in Chapter 2 for more details on SV policy).

This chapter has been divided into two overarching sections and subsections. The first main section presents the interview data from case participants; under this section are subsections that are categorised based on the research questions (RQs) and corresponding themes and subthemes that emerged during the thematic analysis of the data. The second main section is also structured similarly. Still, it presents the secondary data analysis and findings from the participants' SV policies as they apply to the appropriate RQs, themes and subthemes (see Table below for the themes and corresponding RQs). It is essential to clarify that there is an exception to this structure. Due to the nature of the first research question and the researcher's approach to answering it, primary and secondary data were analysed and reported under the RQ. This strategy will be understood more as we proceed to the RQ1 section. Addressing these RQs lays the foundation that helps this research to answer the overarching research question.

To conceal the participants' identity, all the interview participants have been randomly coded as B1, B2, and so on for the buying organisation; P1, P2, and so on for the SV providers (suppliers); and BSVP 1, BSVP 2 and so on for the council's SV policy document. These have also been presented in Table .

Table 4-1 Participants and data source identification code

Participant/data source	Code
Buying organisation	B1, B2 . . .
SV providers (suppliers)	P1, P2 . . .
Council's SV policy document	BSVP 1, BSVP 2 . . .

As this chapter focuses on answering the RQs using the available data, the RQs have been restated for guidance and ease of comprehension.

Main RQ: How can procurement adapt to SV contracting?

RQ1 What is the real-world interpretation of SV, and how does it align with academic definitions?

RQ2 How is SV procured and embedded in the procurement process?

RQ 2.1 How easy or difficult is it to contract for SV delivery through procurement?

RQ 3 How do the beginnings and endings of procurement contracts affect the associated SV?

RQ 3.1 How is SV delivery captured beyond the associated procurement contract?

To answer the overarching question and understand how procurement can adapt to SV contracting, it is essential to first address the sub-questions as their responses provide the needed clarity to tackle the main RQ. To begin with, in answering RQ1, the focus would be on the sub-questions because understanding these questions would lay the foundation required to answer the main RQ1 and, subsequently, the main RQ. During the thematic analysis, themes and sub-themes emerged from the transcribed interview data, which aligned with constructs within TCE and DoI as illustrated in the conceptual framework – Figure 2.9, providing crucial insights into complexities in embedding SV in the municipal procurement process. These

alignments are further elaborated in chapters 5 and 6. Table presents the RQ and the corresponding themes and sub-themes that emerged during the thematic analysis of the case data using NVivo software.

Table 4-2 Themes and subthemes that emerged from the thematic data analysis (Author's own, 2023)

Research Question	Themes	Subthemes
Main RQ: How can procurement adapt to SV contracting?		
What is the real-world interpretation of SV, and how does it align with academic definitions?	SV definition	Meaning of 'local' in SV delivery context
	Perception of SV	n/a
	Approach to SV	n/a
How is SV procured and embedded in the procurement process?	Approach to identifying SV to deliver	Prescriptive approach
		Collaborative approach
	Level of community engagement	n/a
	Embedding SV in the procurement process	Provider's involvement in the SV procurement process
		SV evaluation and monitoring
		Procurement spend threshold and SV weighting
How easy or difficult is it to contract for SV delivery through procurement?	Challenges to SV procurement	Contractual challenges
		Extent of SV knowledge
		Level of significance placed on SV
		Misalignment of SV need, the length, and value of a contract
		Supplier's failure to deliver
		Management of SV delivery
How do the beginnings and endings of procurement contracts affect the associated SV?	n/a	n/a

Themes and subthemes that emerged from the thematic data analysis (Author's own, 2023)

4.2 RQ 1. What is the real-world interpretation of SV, and how does it align with academic definitions?

RQ1 attempts to see how SV is interpreted/defined according to existing literature and how the councils interpret/define the same. SV definitions were collated from academic sources and interview data to achieve this. This section has been categorised into subsections to analyse these data and answer the RQ. The first sub-section presents SV definitions/interpretations from academic sources. These were collected and organised in a table with details of sources (see Appendix 4) and were then cleaned up (see explanation in the preceding section) before being listed in a Word document to make it fit for the purpose for which it is required in this study. The document was then uploaded in NVivo data analyses software to generate a word cloud to see the keywords that constitute the SV definitions from the different authors. The second sub-section adopts the same strategy. Still, this time, data were collected from each council's SV policy statement, followed by a collation of definitions from interview participants (see Appendix 6 for case interpretation of SV). Finally, the last section compares the keywords identified in all the sources (academic, SV policy statement, and interview). The essence of this comparison is to see how SV is interpreted in a real-world setting by the agents involved in its procurement.

Following the RQ1 section is the exploration of the rest of the RQs based on the case study of London Borough Councils. A thematic analysis was conducted, and key themes and sub-themes were generated during the process. These will also constitute sub-sections of this analysis to demonstrate the extent to which the findings answer the RQs.

4.2.1 SV Interpretation – Academic Sources

In the literature review chapter, various definitions of SV were reviewed, demonstrating the need for more consensus on what SV means and how it is interpreted. In addition to the ones highlighted in the literature review section, other definitions from different authors were used (as can be seen in Appendix 4) to generate the word cloud using NVivo software. In compiling these definitions, SV was removed from the sentences. For example, if a definition started with 'SV is defined as the . . . ', 'SV is defined as . . . ' was removed, leaving the sentence to begin with 'the . . . '. (refer to Appendix 5 for result of cleaned up data). Before

going into the results generated from the word cloud function of NVivo, it is important to understand how the software works for operations like this, as the embedded functionalities impact the final result. With NVivo word cloud, there are criteria that the operator (human) may select to fine-tune the data. The options relevant here are the word display and grouping functions. The word display simply determines the total number of words that the operator wants to be displayed in the word cloud result (such as Figure 4.1), while the word grouping pulls together words that fall within the selected category. Great attention needs to be paid to the phrase groupings, as the selected category influences the final result. For example, in the case of this research, the researcher selected the thirty-word criteria and ran the query for each grouping (i.e., exact match, 'with stemmed words', 'with synonyms', 'with specialisation', and 'with generalisation'). More attention was given to each query's generated summary table for more visibility into the data. The first ten words have been extracted for this section, and respective results are presented in Tables 4.3 to Table .

Table 4-3 30 words display, 'with Exact match grouping'. Source: Author's own elaboration from data analysed using NVivo software

Word	Length	Count	Weighted Percentage (%)
Social	6	14	5.05
Value	5	6	2.17
Benefits	8	5	1.81
Community	9	5	1.81
Resources	9	5	1.81
Change	6	4	1.44
Wider	5	4	1.44
Actors	6	3	1.08
Communities	11	3	1.08
Exchange	8	3	1.08

Using the criteria 30 words display, with exact match grouping, the result in Table presents a duplication of the words community and communities; therefore, it not only splits the count between the words but also affects the word's position in the ranking. The writer considers the function of these criteria as a limitation

and, if used, will impact the results from the data. The same applies to the other criteria explained below, except for the one used for this research. To mitigate this impact, the '30 words display with stemmed words grouping' has been used for this research section to overcome this limitation to data results arising from the software criteria functions.

Table 4-4 30 words display, 'with stemmed word grouping'. Source: Author's own elaboration from data analysed using NVivo software

Word	Length	Count	Weighted Percentage (%)	Similar Words
Social	6	15	5.42	social, socially
Community	9	8	2.89	communities, community
Benefits	8	6	2.17	benefit, benefits
Individual	10	6	2.17	individual, individuals
Value	5	6	2.17	value
Creating	8	5	1.81	create, created, creating
Resources	9	5	1.81	resources
Change	6	4	1.44	change
Exchange	8	4	1.44	exchange, exchanging
Wider	5	4	1.44	wider

With the criteria 30 words display, with stemmed words grouping, similar words such as 'community' and 'communities' were pulled together, thereby increasing the count and consequently the word's position on the ranking.

Word	Length	Count	Weighted Percentage (%)	Similar Words
Social	6	15	5.42	social, socially
Change	6	9	3.25	change, exchange, exchanging, Variety
Community	9	8	2.89	communities, community
Benefits	8	7	2.53	benefit, benefits, welfare
Individual	10	6	2.17	individual, individuals
Value	5	6	2.17	value
Created	7	5	1.81	create, created, creating
Resources	9	5	1.81	resources
Well	4	5	1.62	consideration, goods, well
Additional	10	4	1.44	additional, improve, improving

Using the criteria '30 words display, with synonyms', the similar words increased to capture other synonyms. However, words that appear to have different meanings in the context of this research were grouped. In this case, the words are 'change', 'exchange', and 'variety'. Other words, such as 'consideration' and 'goods', can also be seen together. Still, the focus here is on 'change', since the grouping, which is not entirely accurate (based on the research context), affected the count and placed the word in the second position.

Table 4-6 30 words display, 'with specialisation'. Source: Author's own elaboration from data analysed using NVivo software

Word	Length	Count	Weighted Percentage (%)	Similar Words
Social	6	15	5.42	social, socially
Change	6	37	4.49	alleviation, benefit, change, combination, combining, contract, core, creation, cross, delivery, development, enhancement, exchange, exchanging, formation, hold, impact, improve, investment,

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				level, live, market, meet, people, pyramid, reduction, root, service, stimulate, variety
Construction	12	22	3.09	base, constructed, construction, cross, hold, level, manner, positive, pyramid, structure, sum, value, variety, ways
Groups	6	27	2.76	business, combination, community, core, enterprise, force, formation, groups, market, network, people, public, secondary, sector, society, structure, sum, system, variety
Community	9	21	2.75	award, communities, community, consideration, core, delivery, hold, lead, level, network, reflect, reflection, result, service, sharing
Relations	9	24	2.36	base, capital, change, community, formation, hold, intangible, investment, partner, protection, relations, relative, root, sharing, sum, trust
Created	7	11	2.33	create, created, creating, cross, force, generate, lead, result, stimulate
Organisations	13	22	2.18	business, collective, combination, community, core, enterprise, force, organisations, organisational, service, society, structure, system, trust, workforce
Benefits	8	8	2.13	benefit, benefits, pyramid, welfare
Considered	10	11	2.02	considered, dealing, hold, regarded, studying, value

Table presents that with the criteria '30 words display, with specialisation', the similar words increased to capture more words that, at first look, do not appear (in some cases) to have a similar meaning as the main word. The software seems to have populated similar words based on the context of the SV definitions. For

example, for the keyword change, we could see words like 'alleviation', 'cross', 'delivery', and 'investment'. These words (including the other similar words for change) in their exact form may not have the same meaning as change, but in the context of the definition, they include how and the means through which change was mentioned or achieved in each SV definition. It is impossible to have this understanding without the researcher revisiting the individual definitions to understand the context in which similar words were associated with change. Consequently, it will require a reader to read the raw data to fully grasp how the words relate.

Table 4-7 30 words display, 'with generalisation'. Source: Author's own elaboration from data analysed using NVivo software

Word	Length	Count	Weighted Percentage (%)	Similar Words
Social	6	22	5.62	change, individual, social, socially
Change	6	38	3.15	alleviation, benefit, change, combination, combining, contract, core, creation, cross, delivery, development, enhancement, exchange, exchanging, formation, hold, impact, improve, investment, level, live, market, meet, people, pyramid, reduction, result, root, service, stimulate, variety
Community	9	30	2.78	award, change, communities, community, consideration, core, delivery, formation, hold, individual, lead, level, network, people, reflect, reflection, result, service, sharing
Construction	12	26	2.59	base, business, constructed, construction, create, cross, hold, level, manner, operation, positive, pyramid, structure, sum, value, variety, ways
Groups	6	28	2.47	business, combination, community, core, enterprise, force, formation, groups, market, meet, network, people, public, secondary, sector, society, structure, sum, system, variety
Organisations	13	23	2.06	business, collective, combination, community, core, create, enterprise, force, organisations, organisational, service, society, structure, system, trust, workforce
Relations	9	27	2.05	base, capital, change, community, formation, hold, individual, intangible,

				investment, partner, protection, relations, relative, root, sharing, sum, trust
Benefits	8	8	2.02	benefit, benefits, pyramid, welfare
Resources	9	6	1.99	capable, resources
Created	7	11	1.85	create, created, creating, cross, force, generate, lead, result, stimulate

The result is the same as in the criteria 'with specialisation' but in a broader fashion.

As displayed in the Table , Table , Table , Table and Table , each query returned different results in response to the word grouping selected. Although the term SV was removed at the beginning of each definition, it is interesting to see that 'social' still appeared on top of all query results, irrespective of the criteria used.

Now that the criteria selection and its impact on the result have been clarified, the next step is to explain the adopted criteria. For this research, specifically in answering RQ1, the researcher chose to apply the '30 words with stemmed words' criteria. This option was selected because it is the closest to an exact match criterion. At the same time, it reduces the risk of duplicating similar words as keywords and consequently increases the word count with words with different meanings/interpretations. This is not to say that the meanings should not be viewed in the context of the individual definition. However, for ease of generalisation and to simplify things, the researcher considers it essential to apply criteria that capture words with close meaning so that a reader will not need the transcribed data to make sense of why some words are grouped as similar.

Table 4-8 30 words display, with stemmed words grouping criteria used for SV interpretation from academic sources. Source: *Author's own elaboration from data analysed using NVivo software*

No.	Word	Length	Count	Weighted Percentage (%)	Similar Words
1.	Social	6	15	5.42	social, socially
2.	Community	9	8	2.89	communities, community
3.	Benefits	8	6	2.17	benefit, benefits
4.	Individual	10	6	2.17	individual, individuals

5.	Value	5	6	2.17	value
6.	Creating	8	5	1.81	create, created, creating
7.	Resources	9	5	1.81	resources
8.	Change	6	4	1.44	change
9.	Exchange	8	4	1.44	exchange, exchanging
10.	Wider	5	4	1.44	wider
11.	Actors	6	3	1.08	actors
12.	Construction	12	3	1.08	constructed, construction
13.	Employed	8	3	1.08	employed, employing, employment
14.	Local	5	3	1.08	local
15.	Provided	8	3	1.08	provided, providing
16.	Services	8	3	1.08	service, services
17.	Society	7	3	1.08	society
18.	Well	4	3	1.08	well
19.	Additional	10	2	0.72	additional
20.	Business	8	2	0.72	business
21.	Combination	11	2	0.72	combination, combining
22.	Contract	8	2	0.72	contract, contracts
23.	Creation	8	2	0.72	creation
24.	Development	11	2	0.72	development
25.	Economic	8	2	0.72	economic, economically
26.	Enhancement	11	2	0.72	enhancement, enhancing
27.	Entirety	8	2	0.72	entirety
28.	Financial	9	2	0.72	financial
29.	Improve	7	2	0.72	improve, improving
30.	Need	4	2	0.72	need, needs

As Figure 4.1 presents, the main words primarily associated with SV definition/interpretation from academic contexts are 'social', 'community', 'benefits', 'individual', 'value', and 'creating'. Table presents a breakdown of the occurrences of these words. As can be seen, the words benefit, individual, and value are prominent across the definitions extracted for this purpose.

4.2.2   SV Interpretation – Case Data (Primary and Secondary Sources)

The definitions used in this section combine the meaning/interpretation of SV provided by the interviewees and ones extracted from the council SV policy. Of the thirty-four councils, fifteen have SV policy, and nine provided a specific definition or interpretation of SV. For the interview data, eighteen definitions were generated. These definitions have been combined because after comparing definitions from both sources, the researcher noted that in some cases, the interviewees provided the definition from their respective councils' policies. Therefore, separating the definitions for this analysis will result in repetition that may impact the outcome. Having combined and removed any recurrences, 31 definitions were used. It is also worth noting that some of the Councils adopt definitions from other sources such as Social Enterprise UK, the UK Green Building Council, the SV Act, and the Sustainable Procurement Task Force. The definitions from these sources were included in the list because excluding them due to it not being bespoke to the council would mean not capturing the definitions guiding the SV operations of the affected council. With regards to the query criteria used for analysing the data, the ones used for the scholarly definitions were

maintained (30 words with stemmed words criteria) to facilitate a fair comparison of both results (i.e., academic and case definitions of SV.

Figure 4.2 Word cloud query result of SV interpretations from case data. Source: Author's own elaboration of word cloud generated from data analysed using NVivo software

Word	Length	Count	Weighted Percentage (%)	Similar Words
Benefits	8	27	4.49	benefit, benefits
Social	6	22	3.65	social
Community	9	22	3.65	communities, community
Value	5	17	2.82	value, values'
Local	5	14	2.33	local
Contract	8	11	1.83	contract, contracts
Economic	8	11	1.83	economic
Environmental	13	11	1.83	environmental
Services	8	11	1.83	service, services
Additional	10	10	1.66	addition, additional, additionality
Procurement	11	10	1.66	procurement, procurements, procuring
Works	5	9	1.50	work, works
Goods	5	8	1.33	good, goods
Organisation	12	8	1.33	organisation, organisations
Used	4	8	1.33	use, used, using
Wider	5	8	1.33	wider
Also	4	7	1.16	also
Environment	11	6	1.00	environment
Council	7	6	1.00	council, councils
Process	7	6	1.00	process, processes
Terms	5	6	1.00	term, terms
Achieves	8	5	0.83	achieves, achieving
Business	8	5	0.83	business, businesses
Deliver	7	5	0.83	deliver, delivered, delivering
Delivery	8	5	0.83	delivery

Economy	7	5	0.83	economy
Life	4	5	0.83	life
Looking	7	5	0.83	looking
People	6	5	0.83	people
Public	6	5	0.83	public

As the table presents, the main words mostly associated with SV definition/interpretation from the case perspective include 'benefits', 'social', 'community', 'value', and 'local' (the top five). A more detailed view of their occurrence can be seen in

Table .

4.2.2.1 Comparing Common Words Used in the Scholarly and Case Definitions of SV.

Fig 5.2 Word cloud query result of SV interpretations from case data

Figure 5.1 and Figure 5.2 display both the word cloud results of case SV definitions and academic SV definitions, which illustrate a combination of varying words used to define SV. A comparison of the word cloud results demonstrates that social was the most recurring word for the scholarly definitions of SV despite SV being removed from the start of each definition. Other keywords (top five) include 'community', 'benefit', 'individual', and 'value'. The case definitions, on the other hand, have 'benefits' as the most recurring word followed by 'social', 'community', 'value', and local. Although both academic and scholarly interpretations of SV share some common recurring words, it is interesting to see that there are more differences in the terms used to describe the SV. This finding (based on the compared data) illustrates the lack of consensus is not restricted to scholarly work, as not only have the case participants used diverse interpretations of SV, but the dissimilarity also exists between their (council) definition/interpretation of

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SV and those from academic sources. In other words, the SV definition differs in theory and practice, as covered in this research. To highlight these findings, the word cloud results from both sources were put in Table , and then similar words were colour-coded (the recurring words shared the same colour), while one colour (green) was used for the rest of the varying keywords.

Table 4-10 Identifying common words shared by scholarly and case definitions of SV (Author's own)

Academic definition	Case definition
Actors	Achieves
Additional	Additional
Benefits	Also
Business	Benefits
Change	Business
Combination	Community
Community	Contract
Construction	Council
Contract	Deliver
Creating	Delivery
Creation	Economic
Development	Economy
Economic	Environment
Employed	Environmental
Enhancement	Goods
Entirety	Life
Exchange	Local
Financial	Looking
Improve	Organisation
Individual	People
Local	Process

Need	Procurement
Provided	Public
Resources	Services
Services	Social
Social	Terms
Society	Used
Value	Value
Well	Wider
Wider	Works

Another surprising find in the analysis of this section is the use of 'individual' in the scholarly definition of SV. At first sight, it was and may be difficult for any reader to understand the word's context. Hence, the data (all the scholarly definitions) was revisited to understand the usage of 'individuals' in defining SV from an academic point of view. The definitions that captured the word 'individual' are extracted below for reference.

> *'Those secondary benefits [. . .] obtained by individuals or communities as a result . . . that ultimately result in a positive social change to individuals and the wider community.'*

> *'Envisaging how the award of a construction contract can improve a community's social efficacy and an individual's network and trust.*

> *'A value that demonstrates change(s) in the live(s) of an individual or groups of individuals when . . . '*

A further analysis of the data demonstrated that the word was mainly used to describe the SV beneficiaries, as seen in the SV definitions extracted from the data set. Just as the term 'individual' was unexpectedly among the recurring keywords in the academic interpretation of SV, 'local' was another interesting keyword found in the case definition of SV. In fact, the term local is considered so significant in understanding SV that it became an emerging theme in the data analysis of participants' definitions of SV (see more details on the meaning of local section below). A comparison of these critical terms indicates that academics think

about SV in terms of community and individuals. In contrast, buyers tasked with delivering SV think about SV in terms of community and local.

4.2.3   Meaning of Local within the Context of SV Delivery

In exploring the meaning of SV, themes and sub-themes emerged from the interview data. One of the key findings of RQ1 is the SV definition; while many participants adopted an SV definition, there is still no unification among these interpretations, as explained in section 4.2.2. The other is the definition of local; during the interview process, the researcher sensed that local is interpreted idiosyncratically (i.e., it is peculiar and specific to the council involved). For example, the whole of London might be considered local by London residents (including buying and supplying organisations. However, regarding SV delivery, 'local' is narrowed down to the specific council within the London Borough. The data also illustrates concerns about narrowing down the interpretation of local restrictions where SV can be delivered in some instances.

> *'The idea of local, I think, has to be really specific to you, which is why I think local for me can*
>
> *only mean [participants council]. I'd really struggle for it to mean my neighbour.' [B1]*

Another response presented an economic justification to narrow down the meaning of 'local' when delivering SV:

'SV primarily is the community aspects of our supply chain. So, you know, for a company, whether they hire a person from within the borough or not within the borough is not really that important to them. But for us, it's an important part because it means more money within the borough, more local spending, which is all great stuff . . . So, you know, £30,000 in somebody's pocket is one thing, but £30,000 within a local economy is another thing. So, I think it's that element.' [B3a]

The comments below tellingly suggest that the interpretation of 'local' not only influences the SV activities within the Council in terms of the target area and people, but it also influences the actions of the providers as well:

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'So, we promised to [mentions SV to be delivered], and originally, we will look into doing so anywhere in the UK. But [the council] said they specifically wanted the [mentions the SV to be delivered] done in their borough.' [P6]

It is evident in the responses from participants B1, B3a and P6 that 'local' to these participants means their specific borough and one that may even be tough to interpret differently when deciding where to deliver SV. Another interesting discovery took the opposite view to the responses above. In this case, the participant (B7) argued that local is and should go beyond a specific (mostly the procuring) borough to mitigate situations where the SV need that matches a provider's available resources and capabilities does not exist within the procuring borough.

'I get local from an employment perspective, which means very much local, or, you know, certainly the borough, the surrounding or neighbouring borough. From a procurement perspective, it can have a wider reach; it doesn't have to be within the borough because we won't have the profile or supply chain within the borough to deliver the services. So, you do need to look to neighbouring boroughs or London as some metropolis. The definition of local to me could be expanded, you know, so a lot of people will say, it's got to be in the borough. But if you can't find an apprentice in the borough to work for you, but there's one in a neighbouring borough, are you really going to turn around and say, no, I'm sorry, you can't have the job because you're not in the borough. It doesn't work like that.' [B7]

These statements suggest that the interpretation of local by the procuring body impacts their perception and approach to SV and determines where SV will be delivered. For example, a council that interprets local as their specific borough will most likely not be inclined to deliver SV that benefits the neighbouring boroughs (despite being within the London Borough at large) even if the most SV need is outside the procuring borough. Therefore, this research suggests that clarifying the meaning of local helps towards a broader understanding of the meaning of SV. This clarification also seems missing in the Public Service (SV Act) as the act referred to improving the social, economic, and environmental well-being of the '*relevant area*'. Without clarification, it can be argued that the 'relevant area' is subject to the interpretation of the procuring authorities just as 'local', and each interpretation could impact how and where SV is considered/delivered.

4.2.4   Perception of SV

One of the themes that emerged while analysing the participants' interpretation of SV is perception. Perception appeared in the interview data as a useful factor for understanding what SV means because it reflects how the case participants see the concept. The analysis of the interview data suggested that just as there are differences in the definition of SV, the way that the case participants perceive the concept is different. The responses from the councils and SV providers below illustrate this notion.

> *'The Council sees SV as a bit of a nice to have. Okay, that's been the kind of perception. Every time I spent doing it was, oh, yeah. Okay, we need to do it, but I'm not really fussed about what the response back is. It is kind of a tick box.' [B2]*

Speaking about their experience with some providers, participants highlighted how some providers react to SV demand resulting from their perception of the concept.

Speaking with SV partners on the providing side, the participant's response confirmed the perception of SV as a 'tick-box' activity.

> *'I think lots of businesses call it to tick boxes. And we don't really want to tick the boxes. We want to do stuff that has an impact. SV should always be impactful. It shouldn't be doing something to tick a box; it should always be why are we doing it? What's the actual value of doing it? What's going to be the outcome? From a business perspective, SV has been seen as a nice, fluffy thing to do. It's that feel-good thing. And we've seen a complete change in that from the site teams.' [P4]*

A notable thing about this response is that although it confirms B2's reaction, it also suggests a different provider view compared to the one presented by participants B3 and P2; participants B3 and P2's projection of the suppliers is that of those unwilling to engage in SV due to additional cost concerns, while on the other hand, participant P4 perceives SV as impactful and a concept that the team is adjusting positively to despite being treated as a nice-to-have tick box exercise by the buying partner. Another supplier's perception of SV (participant P1) also aligns with that of Participant P2, demonstrating a willingness to align with their clients (councils) to deliver SV.

'It is about aligning with our clients, their drivers, and what they would like to achieve out of the project. And just delivering that little bit more and going back again, delivering beyond construction, and creating that level of added value.' [P1].

This could mean that even though some suppliers are reluctant to engage with SV delivery (as indicated by the buying organisations), there seem to be providers represented by Participant P1 who are embracing and adjusting their responses to the concept due to their perception of it.

4.2.5   Approach to SV

Another theme that emerged from participants' responses to their interpretation of SV is their approach to SV. This theme and associated data suggest that the different councils approached SV integration and delivery differently regarding their way of engaging with the concept. Some participants use SV as an avenue to deliver the council manifesto, which is considered pertinent to delivering some council promises to the community.

'We have an SV toolkit that we use, that breaks down our [council's] manifesto goals and says this is the overall arching of what we're trying to achieve. And then, it splits out the themes across the three themes and explains to suppliers the types of activities they can undertake under those themes. We feel that you know, ideally, investment in the local people, you're going to have the biggest impact, and that's going to make the biggest difference.' [B1]

'This is something that's quite early days, but what we're aspiring to do on most of the projects we work on is doing some consultation before the contract is awarded. We would also use some of that information within the ITT as instructions for the SV element of the contract. So, we would share with suppliers, maybe particular sub-localities to work within particular areas of work, for example, whether we want to look at school engagement, if that's something that's particularly important for that area, or particular community groups that we can point towards or you know, other people in the VCSE sector, where we have the information with guidance on kind of a bank of local SMEs. We're definitely kind of aspiring to do more of that so that we can really ensure the SV outcomes meet the needs of the community.' [B4]

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'There are eight or nine key priorities that the council looks at when considering SV. These are themed around all of the community. Those key priorities are normally manifesto commitments. The manifesto often gets translated into the corporate strategy for the next four years or more, depending on. Then, that corporate strategy informs the SV themes.' [B8]

For some, there is an acknowledgement of need disparity across the council; hence, they approach SV with reasonable flexibility that allows the delivery of SV targeted at what is specific to the given community. This approach was also supported by the provider of SV (P4), highlighting the benefit of delivering SV that meets specific community needs.

'SV at X Council is a key agenda and a key priority of the council. I think it's about trying to work with what the community needs rather than trying to say, this is what you need, and therefore, you should do this. Our SV approach is directly linked to our procurement programme and, therefore, our supply chain. The way we operate SV within our procurement is for the things that I mentioned around strengthening our borough through those various examples I gave you as anything else.' [B3a]

'What we need to target in terms of SV will differ in X to what it would in XX, and that's, that's key for when you're dispersing the SV activities in the correct place. So, it creates the right impact in the right place.' [B5]

'It's about communication, what's needed as opposed to what's not; I can go in and deliver anything. We can deliver whatever. But if it doesn't meet that local need, then there's very little point in doing it.' [P4]

For others, the SV approach is not derived in-house but from a third-party (different from the suppliers) organisation and involves generic SV requirements that are often not tailored specifically for the council.

'The approach that we adopt is very much sort of aligned with [third-party SV organisation], insofar as the supply chain should be coming back to us responding where their strengths are, in terms of the SV, rather than us potentially dictating, you know, measures or themes that we want

them to provide. That said, we would sign-post them in certain circumstances to our preferred area of focus.' [B7]

Given the data presented in response to RQ1, this research found that:

1. Just as in the academic world, SV interpretation also varies in practice.
2. The academic interpretation of SV appears to be in terms of community and individual, while the buying organisation's (in this case, local councils) interpretation is in terms of community and local.
3. SV actors perceive SV differently and, as such, utilise a different approach to its procurement.

Having highlighted these findings, this research establishes that to have a broader understanding of SV, the following elements resulting from the themes and sub-themes should be captured.

- Definition of SV
    - Meaning of local (in the geographical context of SV delivery)
- Perception of SV
- Approach to SV

Different approaches are being presented in this research, and there is an identified overlap between the participants' overall approach to capturing SV in procurement and their approach to identifying SV priorities (see the section below analysing data for RQ2). The SV approach discussed above is about the participants' general perspective on SV. The latter is about how SV need is identified and the requirements communicated to the suppliers bidding for the contract and the associated SV. This overlap results from the council's view of SV shapes the way (approach) they identify and communicate which SV to deliver for each contract procurement. For example, a council with an approach that treats SV as an avenue to deliver priorities specific to the community at the time would most likely engage the community (collaboratively) to identify those needs. On the other hand, a council aligning with a third party or deriving SV from a generic SV framework (e.g., the national TOMs) would most likely utilise a non-tailored SV requirement (prescriptive), which would already have been predefined long before the procurement activity. Having

clarified this distinctive overlap, the latter approach is further explained in the analysis of 'RQ2 – How is SV procured?' as it fits better with the described approach to SV identification and procurement.

4.3   RQ2 How is SV procured and embedded in the procurement process?

To answer this RQ, the researcher asked interview questions on how SV needs are identified and the phases of the procurement process in which SV is considered/accounted for. During data analysis related to answering this question, themes and sub-themes emerged (see Table), and the ones considered relevant are presented in the following sub-sections.

4.3.1   Approaches to SV Need Identification and Their Impact

The responsenses for this section were categorised into group A and group B to compare the different approaches identified during the data analysis (see Appendix 7 for a table comparing participants' responses on SV identification). The comparison of participants' responses on how they procure SV identified that the participants have different approaches to identifying what SV to procure and how they engage the suppliers in the SV procurement . Thus, the following two approaches emerged and were categorised by the researcher:

1.   Prescriptive approach
2.   Collaborative approach

Prescriptive

This theme was labelled prescriptive due to the nature of the approach used by the councils to identify the SV needs and communicate them to the providers. For councils with this approach, they present to the suppliers a menu of SV elements, which are, in most cases, derived from the standard/national TOMs to choose from (as demonstrated by participants B7, B8, B9, B10, and B11). This approach does not leave room for community engagement to understand the SV needs at the period. Still, it draws from a list of items from the standard TOMs and also depends on the suppliers' choice of whichever they can deliver. This prescriptive approach incorporating the 'pick and mix method' (as labelled by participants) does not

appear to be an approach that factors in present SV need or ones that may be more meaningful to the community since the SV to be delivered is not only prescribed (without consultation) but is also dependent on whichever item the supplier selects. The interview data collected from suppliers bidding for and providing these SV confirmed this 'prescriptive' approach.

> *'We've recently adopted the national TOMs, and we've kind of got our view of those TOMs and themes that we want to focus on.' [B7]*

> *'So, those key priorities of the council set out the framework for us to build the SV basket around. Companies could look at these offers and say, okay, as part of our SV, we will pick 1A and 1B, and 2C and 3A and 4&5F as they go down the list. And they will try to make it smart, so specific, measurable, relevant, and doable in a certain amount of time.' [B8]*

> *'There are some things that are pertinent to certain contracts, so do we ask the community? I don't know. I mean, in terms of procurement, no, we don't. So, we don't specify what they [suppliers] need to deliver to us; it's the pick and mix. But having said that, in our method statement questions now as from October, what we've asked our suppliers to do is to write in it to actually give them a couple of SV themes that we want them to deliver on. So, it's almost saying we're mandating you, you know, to deliver on this one and that one, and you tell us in your method statement what are the ones you intend to deliver on.' [B9]*

> *'In the majority of cases, we will actually provide a supplier with the whole suite of the standard TOMs, and then we allow them to choose whichever ones they feel are appropriate to deliver for their business.' [B10]*

> *'We use the standard TOMs; it has a list of SV elements that we focus our priorities.' [B11]*

Data from the bidding provider confirmed the nature of the prescriptive approach. Although there are conversations about the SV to deliver, the focus is on matching the pre-determined SV option with their capabilities to ensure that they [providers] can deliver.

'It depends on each client during the implementation process of the matrix system. We meet with key stakeholders from the council, and they can tell us what their priority areas are in the local region.' [P3]

'So, what they're able to do is to lay out a selection of areas that they want to try and focus the SV on, and then we sit with them, and we discuss, and we talk about what's what we do.' [P4]

Collaborative Approach

This theme was labelled collaborative because the approach involved a collaboration with the community or community representatives and suppliers. For some of the case participants, part of the SV pre-procurement activity is identifying SV need(s) in which the council involves the community and suppliers (as required) to identify the actual SV need that can be delivered over time. This set of needs is then passed on to the bidding suppliers to choose from. In some cases, rather than give options to the supplier, the council presents specific needs that are a priority to the community at that point in time.

'Ultimately, the decision is with the supplier, really, it's up to them to develop their commitments. But we, as the local authority, definitely have a role to play in influencing that. We aspire to do some consultation prior to awarding the contract and we would use some of that information within the ITT as instructions for the SV element of the contract.' [B4].

'I run a bimonthly panel with internal front-facing staff and external voluntary sector organisations where we meet to discuss the priorities and the issues in the borough. The idea is to continually make me aware of the issues and priorities the borough is facing so that we can match supply and demand. We try and stick to things that we know we're always going to need, understanding the makeup of your borough is very important. We speak to the commissioners upfront, and we'll sort of understand their supply chain, we'll understand kind of the maturity of their supply chain, and what it is they're procuring, which really take that kind of, you know, SV should be a reasonable and relevant thing. So, we try and understand what suppliers are likely to be able to do to support us. But we also have varying degrees of commissioner appetite, really, so it's it kind of wanes from, let's just ask them to provide anything across any of our themes, to let's

be specific, and let's say we want this particular aspect of this particular thing. And that's ultimately driven by the commissioners, their kind of service, what they're procuring, and how much they're procuring in terms of value. And so, it's a real kind of case-by-case basis, there's no one size fits all.' [B1]

The data above (B1) indicates that although there is a combination of community engagement to identify a real need of the borough to make SV relevant, the decision of which SV to deliver rests on the commissioner's appetite, the nature of the supply chain, and the project itself. Similarly, the data below displayed evidence of community and supplier involvement in selecting SV needs to deliver and flexibility to those needs.

'We made a decision early on that we didn't want to use their standard TOMs. Yeah, we wanted to ensure the priorities of the council are reflected in the SV. That is the approach we take, and therefore I've created our own set of TOMs. We have a suite of KPIs of indicators that bidders can put forward as part of their commitments when responding to a tender, and they can also add in their own as well. So, we've got predefined measures, not all of them will be applicable to every centre. We've also got a template for bidders to insert their commitments on various aspects of SV.' [B3a].

'The idea behind it is it's meant to be all-encompassing. So, whatever a supplier may wish to offer, we have a KPI for it. The goal is that we don't limit any of the suppliers if they want to do something very specific, that's great, we actually encourage that. We would prefer it if the suppliers came up with their own side of stuff. Sometimes the community so we have a group called . . . here who are the voice for lots of the voluntary groups and they sometimes have things that they have in mind, and then they will let us know. And then we can kind of go out to the suppliers and say, actually, would you be willing to do that? But up front, the targets that we're talking about here, that kind of shopping list, they're kind of there. And they're set in some ways, but they're, vague enough that we can also change them if we need to. And, we're happy to move things around, depending on what they want to deliver, or whether the community has a specific need.' [B3b]

'The council has very strong policies in a number of areas. And that's built up through over the years having a various number of kinds of local needs assessments that are done within the area. Each one of those wards will have its own kind of local needs analysis. There'll be something very specific for that ward; they will be very personal and community-driven to them. And so, what we need to target in terms of SV will differ in X to what it would in Y, and that's key for when you're dispersing the SV activities in the correct place. Let's say it creates the right impact in the right place.' [B5]

Responses from participants B3a, B3b and B5 describe how the council intentionally avoids using standard TOMs in favour of creating its own set of TOMs that better align with council SV priorities. This approach includes a suite of KPIs that bidders can choose from, allowing them to tailor their commitments based on the specific needs of the community. Bidders can also add their own measures, providing room for customisation and innovation. The councils also maintain flexibility in their approach to SV selection and delivery by creating open-ended, adaptable targets that can change in response to community input. Voluntary groups act as a bridge between the community and the council, sharing their needs and desires, which the council then communicates to suppliers to gauge their willingness to fulfil these requests. The responses, specifically B5's, further highlight the importance of understanding local needs through ward-specific needs assessments. By considering the unique aspects of each ward, the council can target SV activities more effectively, ensuring that the impact is both meaningful and appropriately tailored to each community.

The study also sought suppliers' perspectives on how they are involved in identifying SV. The providers' responses supported their involvement at the tender stage and their flexibility to adapt to the evolving SV that is being delivered while on-site.

'We have a level that we commit to at the tender stage. So, from the outset, we commit to saying what we can deliver and how we can deliver it. And it's very much from that point of view [that] we then, also whilst we're on site, look for other opportunities. Deciding the ideal SV to deliver is always an evolving picture, really. They do kind of evolve as you are on-site, and I think that is a

benefit you do get from SMEs because they're close to the top of local communities. So, we are

able to make quite local informed decisions on what would add value to that local area.' [P1]

'We have a community engagement team to engage with the community to identify and provide

what the community actually needs. But ultimately, things do change over time. Because of what

we do, we've been quite proactive.' [P2]

4.3.1.1   The Impact of the Approach to SV Needs Identification

While clarifying the overlap in the approaches to SV (see p.110), the researcher's assumption was centred on how different councils engage. Councils treating SV as a means to address specific community needs were expected to prioritise community collaboration to identify these needs. Conversely, those aligning with third-party sources or manifestos were likely to rely on pre-defined SV requirements, potentially lacking tailoring to current community needs. Participant data analysis confirmed that councils that involved third parties and used the council manifesto often followed a prescriptive method. On the other hand, participants who are flexible to SV with their council-specific TOMs need to acknowledge the dynamics of SV needs, thus demonstrating a collaborative approach. However, the response from Participant B1 suggests that a combination of these is possible; although the council manifesto influences the council's SV priorities, community engagement is still needed to determine the actual issues at a given time (see p. 150). Nonetheless, the decision of which SV to deliver rests on the commissioner's interest, perhaps to ensure that the optimum decision is made considering other factors.

Subsequent pages will present another theme—the extent of community engagement—from the thematically analysed data to gain further insight into how the procurement partners engage the community in identifying SV needs.

4.3.1.2   Extent of Community Engagement

This theme suggests how and the extent to which the councils engage the community when identifying SV needs to deliver. The analysed data further provide insight into the engagement through a collaborative approach, specifically on how the community is engaged in the context of SV identification. Data indicates that some councils have regular consultations with the community or community representatives to stay up

to date with events in the community that may be used during SV procurement. This regular engagement seems to have become an essential part of the process, but not for all councils (see B2).

> *'We have a lot of community hubs. So, I try and speak with the relationship managers regularly and work with a lot of sector organisations to understand what they're seeing and what they're hearing.' [B1]*

> *'We have a group called [. . .] who are the voice for lots of the voluntary groups. And they sometimes have things they have in mind and will let us know. And then we can kind of go out to the suppliers and say, "Would you be willing to do that?"' [B3a]*

> *'We have community engagement, but it is very sporadic. It's not systematic. It's not a sort of standardised approach, and some areas are better than others and are more engaged with others. We have an economic development team that is focused predominantly on improving the local economy, which is a big part of it. But it's not all of it.' [B2]*

The following participant's response further demonstrates how community engagement works regarding SV delivery; consultation with the community is an avenue to developing council-specific TOMs (i.e., TOMs that reflect the actual community needs rather than generic ones).

> *'Yes, there is a form of community engagement. So, as part of the development of our council-specific TOMs, the anchor institutions all had one-to-one interviews, and that included sort of frontline people, I guess, so people who, you know, understand the community.' [B4]*

The SV provider's response also suggests that community engagement does not happen solely between the buying organisation and the community. Participant P1's response suggests that even providers are setting up teams to engage the community and manage SV delivery.

> *'We have an SV and Engagement Committee, which includes local workforce members. And it's such an array of people. So, we've got a planner, a construction manager, a site manager, and HR . . .' [P1]*

However, the council determines the extent to which a provider engages with the community. That is to say, if a council is not capturing SV in a procurement or is flexible to the provider's suggestion of SV elements, then there may be little to no need for the provider to engage the community for that specific procurement contract.

> *'Yeah, so it depends on which groups you work with within the council. For example, we run a face-to-face workshop in X council every month, and the community engagement side is that they go out to people they work with in the communities and say, "What would you like us to run workshops on?" So, we provide a whole list; we've got about twenty different things we can offer at the moment. That goes out to the community, and they can do an online survey, I think, and provide feedback. So, we're delivering stuff that the community actually wants, which I think is super important.' [P3]*

The previously stated response from participant B7 (see p. 148) indicates that the adoption of a prescriptive approach to SV needs identification. Still, the data below brings an angle to the participant's position on community engagement. As can be seen in Participant B7's comment, there is an engagement with the community that feeds into the council's strategies. Nonetheless, there is no targeted community engagement in procurement due to concerns that such engagement derails the procurement.

> *'So, around the council, there are various departments that engage very closely with the communities and that get feedback into their various strategies. And you know, in turn, that would be reflected in any procurement activity that we would undertake. In terms of specific community engagement around the procurement side of things, we haven't done it as a matter of course because if we start to think about trying to introduce community involvement in the procurement process, that can sometimes derail the procurement; they don't always understand the impartiality of it, and they get, vitriol into their own view of what should be delivered. If we can find a way and are comfortable with them being part of the procurement, we would try and accommodate that.' [B7]*

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The responses presented here about the extent of community engagement have demonstrated a varying level of community engagement. The researcher categorised these data (see Appendix 8) maintaining the initial categorisation of group A and group B (as in the approach to SV needs identification) to allow comparison of councils' responses. Group A, which adopts a prescriptive approach, does not engage the community for SV need identification purposes. This lack of engagement aligns with the prescriptive approach, where there is the absence of community engagement as the data suggests (refer to an approach to SV and SV need identification). Group B, on the other hand, which adopts a collaborative approach to sv need identification, exhibits a more structured approach to community engagement, using local needs assessments to inform social value activities

4.3.2   Embedding SV in the Procurement Process

To understand how SV is embedded in the procurement process, participants were asked how they included SV in the procurement after the SV need/element had been identified. The following data suggest the key stages of the procurement process where the councils factor in SV (the most) in the procurement process. The data indicates that SV was given greater attention at the start of the procurement process. Participants' responses suggest that SV is considered in the procurement process, but with a stronger emphasis on the beginning stages, incorporating SV during the tender preparation stage. Furthermore, participant B8 acknowledges challenges in embedding SV effectively at the procurement phase, describing the process as somewhat retrospective. This suggests that, while SV is prioritised at the start, there may be difficulties in ensuring consistent application throughout the process. Please refer to Appendix 9 for a table showing participants' responses on embedding SV in the procurement process

> 'We procure SV as part of a standard procurement. We don't procure it as a thing on its own. We procure it when we're procuring something else. We consider SV throughout the procurement process but especially at the start.' [B1]

> "We believe that we do the first bit really well – the incorporation of SV into our tendering. We put together a fit-for-purpose invitation to tender, which includes the components around SV, as you say.' [B3a]

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'The council is keen to make sure that as much SV as possible is derived from those contracts. Although at the procurement phase, it wasn't embedded very well. So, it's a bit of a retrospective process if you like.' [B8]

'SV gets factored in. Think of it as a ten-phase process, with number ten being you awarding the contract and number one being you initiating the contract. You'll probably factor in SV in about three or four because you've actually defined the commissioning needed. I want to build a building. I want to insulate a school. I want to repair a road. You know, that's great. We know that.' [B10]

For Participant B10, it appears that the main need considered at the need identification phase of the procurement process is the commissioning need, not SV, as it is considered from phase 3. Looking back again at the approach of this participant (see p. 112), the prescriptive nature of the approach means that there's no need to identify actual SV needs. Since the standard TOM is used, it makes sense to say that in this context, there is little need to capture SV before phase 3. Hence, the author thinks that the approach to SV influences how and where SV is captured in the procurement process.

The response from Participant B7 unusually considers SV in procurement to reflect the total weighting assigned to SV in the evaluation criteria.

'How we manage that and ensure that [SV] is reflected throughout the procurement process is we would weight the various measures accordingly. For example, if there's a particular area that we want to see employment in a deprived area, that might have two or three times the weighting than another employment opportunity might not have.' [B7]

It is also interesting to find that in some instances, not only is SV delivered by the providers, but it is also almost entirely outsourced to third-party organisations.

'We currently utilise . . . [third-party organisation] as a tool to really help us to capture the SV that's actually been delivered at . . . in procurement overall.' [B11]

'We actually utilise [third-party organisation] to help us prepare for the procurement. They also undertake the evaluation, and then they obviously monitor and kind of do the contract management.' [B7]

4.3.2.1   Providers' Involvement in the SV Procurement Process

Looking at how the buyers involved the providers in the procurement of SV, evidence suggests that SV discussion with the providers is mainly at the bidding and contract negotiation stage, where the providers have to choose from the SV list and then provide details (in response to the ITT) how the SV will be delivered.

'We then ask for a body of evidence from the bidder, where they have to explain how they will deliver what they've just offered us.' [B3]

'We asked suppliers two questions; we asked them to tell us what they can do, and we asked them to tell us how they can do it. And then we score those questions like out of five each if you like. We have a little monitoring form that we ask the commissioners to work through with their suppliers that says, 'This is what we're going to do; this is what we're going to do if we need any support from the council. We would have that as part of the contract negotiation piece. It's ultimately the suppliers' responsibility to deliver that SV in the same way they would deliver any other aspect of the contract. And then the commissioner is ultimately responsible for ensuring the supplier does it.' [B1]

'The approach is, we say to suppliers, "Tell us what you can do for SV. Tell us how you will deliver." And that will be 10% of their overall weighting. And maybe those two questions will be like five and five, or maybe four and six, so maybe six on the delivery bit, right? So that's how it's done.' [B2]

'The commissioners design a specification around the provision of a particular service, and then, as part of that, they will include an SV question. So, in the procurement tender pack, the SV question will be there, so they can go together. And then that comes back in with the bid

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submission, and they would have responded to the SV question in the same way they would have done to any of the other questions around that, you know, the quality element, how they can actually deliver whatever is being bought, or the price it's appropriate.' [B8]

Data from the providers confirm that their involvement in SV discussion mostly happens at the bidding or contract award phase, where they need to state which SV to deliver and how.

'When we get the TOM, there were about 10% in that spreadsheet, and then we are expected to write a methodology to evidence and give them confidence that you can do what you tell them what your commitment is and how you can deliver it, and then it can say, "And this is how we've done it before."' [P4]

'Sometimes, when you're awarded a contract before it starts, you're asked to come around and either meet the residents or meet the key people. So, the key people could be anyone from a counsellor. It could be someone who's a tenant, or an officer or a lady who lives on the estate, chosen by the people on the estate to be a representative about all sorts of issues' [P6]

The provided data suggests that discussions around SV with providers occur predominantly at the bidding and contract negotiation stages. At the bidding stage, providers are required to outline detailed plans for delivering SV, offering evidence to support their claims and demonstrating how they will achieve SV goals. Suppliers must answer key questions about what they can contribute in terms of SV and how they will deliver it, with these responses often representing a portion of the overall weighting in tender evaluations. This approach demonstrates that SV considerations are integrated from the start to set clear expectations for the providers and establish accountability.

As evaluation and monitoring are important stages in the procurement process, it is important to know how participants evaluated and monitored SV deliverables to ensure the effective delivery of SV agreed upon by both partners.

4.3.2.2   SV Evaluation and Monitoring

Information from participants' interviews suggested that most of the councils use TOMs to evaluate and monitor SV. The TOMs, as reflected in the data, can either be council-specific or standard. On the one hand, there are councils with TOMs tailored specifically for the council's SV needs, which are then used as an evaluation and monitoring tool

> *'We have our version of the TOMs framework as a kind of measurement and monitoring tool.' [B4]*

> *'We worked with an organisation to tailor the TOMs to the specific needs of four counties, and we then embedded that in the procurement process.' [B5]*

On the other hand, some councils use standard TOMs to evaluate and monitor SV delivery. Most of these participants adopted the prescriptive approach (see the approach to SV section of this chapter). If the SV was derived from the standard/national TOMs, it also became a tool for evaluating SV delivery.

> *'We use the national TOMs.' [B6]*

> *'We measure SV delivered against the national TOMs.' [B10]*

> *'We've recently adopted the national TOM, and we've kind of got our view of those TOMs and themes that we want to focus on.' [B7]*

Data demonstrated that the TOMs (standard or tailored) are the tool used by most case participants for evaluating, monitoring, and reporting SV. The point is that the councils use the TOMs framework for SV evaluation and monitoring; however, the derivation of the TOMs differs based on the approach adopted to generating the TOMs elements (i.e., SV priorities and outcomes).

Unexpectedly, some councils do not use the much-talked-about TOMs and have devised a different way of capturing and reporting their SV deliverables.

> *'We have created a template spreadsheet, okay, with all the different things that bidders bid against when it comes to SV.'* [B3]

> *'We don't actually use TOMs as a council. We just have our own dashboard, like an Excel spreadsheet, that we want contractors to fill in. So it's all manual collation . . .'* [B9]

Looking deeper into the SV evaluation and monitoring data, it was discovered that the case participants not only have different evaluation and monitoring tools, but the monitoring frequency also differs.

> *'I check in periodically with the commissioners to ensure that their suppliers are doing what they need to do. And if they need any support [. . .], I produce a report that we call an impact report that describes the commitments and the outcomes that have been achieved in the previous twelve months.'* [B1]

> *'The evaluations of SV are often just evaluated by whoever is evaluating all the other things and, you know, become part of the contract. Then it's down to the contract manager to monitor.'* [B2]

> *'Our SV officer normally collates that [SV spreadsheet data] on a quarterly basis, and then we have an annual report.'* [B9]

The researcher also compared the participants' responses based on the initial categorisation of Group A and Group B (see Appendix 10). The comparison of the participants' responses about the evaluation and monitoring of SV during the delivery phase Group A councils who adopt a prescriptive approach and do not engage the community for SV need identification utilises standard TOMs for sv evaluation. On the other hand, group B councils have a collaborative approach, engage the community, and use council-specific TOMs to evaluate and monitor SV delivery. The data also demonstrated that some of the group A councils (participants B8 and B9), despite having similar criteria (prescriptive approach and no community engagement) with group A members, use dashboards such as Excel, which should technically mirror the SV priorities from the standard TOMs.

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Considering the data presented, the researcher proposes that the approach to SV determines its measurement tool. This assumption/statement is based on the fact that SV projects are measured with the SV documentation source. To further explain this, except in the case where the standard TOM corresponds precisely with the present SV need, it may be a mismatch if a council does community consultation and then uses the standard TOMs as a tool for the evaluation of SV deliverables. It would be more fitting to use the council-specific TOMs as the evaluation tool since the results from the community engagement are often what populates most council-specific TOMs – and vice-versa for the standard TOMs usage.

4.3.2.3   Procurement Spend Threshold and SV Weighting

Another sub-theme that emerged from analysing how SV is embedded in procurement is the 'spend threshold.' In addition to other findings in this section, data suggest that the councils have varying minimum thresholds for which they include SV in the procurement tender and the identified minimum threshold being £50,000. Data also indicated that the spend threshold of any procurement project hugely determines SV. The impact is so much so that SV is highly likely not to be delivered if a procurement contract is below the specified threshold. Additionally, it was found that the monetary value allowable for the SV is determined by the spend threshold of the procurement and the percentage weighting assignable to SV by the specific council. In one spectacular instance (participant B7), SV management will be outsourced to a third-party organisation if the project is up to a certain high-value threshold. Please refer to Appendix 11 for a table of participants' responses on procurement spend threshold and SV weighting.

> 'We procure anything over a certain value; our threshold is 100 grand. Anything over 100 grand, we put SV into the tender [...] So it has 10% weighting across all of the 100% of tender.' [B1]

> 'SV only applies to procurement over what we call the low-value threshold. So, the low-value threshold is the same as the public contracts and regulations threshold. The national procurement policy statements change that. So, you know, this figure does change . . . We're now over £100,000 to £200,000 [. . .] and that will be 10% of their overall weighting.' [B2]

> 'What we do is for all procurements above £160,000 for services and goods, with slightly higher thresholds at £500,000 for works, and some of the social care side of things, there's a mandatory

requirement to consider SV in all those procurements going forward [. . .] We've got a procurement strategy, and within that, we had the requirements that you have to apply between 10% and 25% of the overall weighting for your tenders to SV. What we have is for all procurements that are above a million pounds, they have to now go through [third-party organisation] to manage the SV associated.' [B7]

Aside from the spend threshold, the nature of the procurement seems to also be a factor determining what SV is to be delivered by the councils.

'In terms of determining what priorities in that SV area we would focus on, will depend upon the type of procurement and the nature of the procurement we go out to. So, we don't specifically say you have to do this.' [B7]

Considering the data that have been presented in answering RQ2 (how is SV procured and integrated into the public procurement process), this research finds that:

1. The buying organisations have different approaches to SV, which are categorised as prescriptive and collaborative.
2. Some buying organisations adopt a more prescriptive approach by using a standard/national TOM with pre-defined SV elements recommended by the central government. There is little to no community engagement for identifying SV needs.
3. The other buying organisation adopted a more collaborative approach, engaging communities to identify the SV needs and exercising some flexibility during the delivery.
4. These approaches influence how and where SV is captured in the procurement process.
5. The buying organisations utilise different evaluation and monitoring tools, which are reasonably determined by the SV approach of the organisation.
6. Greater attention is given to SV at the early phase of the procurement process.
7. The procurement contract's value threshold hugely determines whether SV will be procured for that contract, and the weighting to that will be assigned to SV in the evaluation criteria.

4.4 RQ 2.1 How easy or difficult is it to contract for SV delivery through procurement?

This question was intended to determine whether the buying organisations find it easy to procure SV alongside the main procurement project. The participants explained that incorporating SV in the contract is straightforward.

> *'Well, for us, it's easy because we've mandated it as a council.' [B1]*

> *'So, the incorporation of SV terms within the terms and conditions of the contract is straightforward. And we, you know, we've worked with our legal team to ensure that suppliers in plain English understand that, that they've given us an offer, which has been accepted, and they've got to deliver it. So, the offer that the bid returned becomes an appendix in the contract and part of the contract documentation. So, there's a legal requirement, of course, to deliver that, and the incorporation of the legal terminology within the contract has been written, and it's pretty straightforward.' [B3]*

> *'So, it's very easy to just copy and paste that into a contract.' [B6]*

Although SV, as reported by the participants, appears easy to include in the contractual terms, the difficulty lies in its execution/delivery.

> *'It's not difficult to include them (SV), but it's difficult to get them delivered. It is probably the hardest part of it.' [B7]*

> *'It's an easy thing to do. Doing it well is a bit more difficult. But I think, if you just simply want to ask for SV when you're tendering for a contract, you can include it in your method statement.' [B8]*

Other themes (challenges) emerged during the analysis of this section's data. The following subsections present each of the identified challenges to illustrate the reality and struggle of delivering SV through procurement.

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4.4.1   Challenges to SV Procurement

To get a more in-depth understanding of the difficulty that the participants encountered when delivering SV through procurement, the researcher asked participants what challenges they faced in the procurement and delivery of SV. The responses from both the buying organisation and the providers revealed that these SV actors experience various challenges, and each issue affects the achievement of the SV goal. The key challenges identified in this analysis are contractual challenges, extent of SV knowledge, level of significance placed on SV, misalignment of SV need, the length and value of a contract, supplier's failure to deliver, and management of SV delivery. More details about these challenges are reported below, along with supporting data.

Contractual Challenges

At the beginning and before interview data collection, the researcher expected that there would be little contractual difficulty in enforcing SV commitment as it was anticipated that the parties involved would mostly abide by the contractual agreement. However, contrary to this thought, interview data evidences that most councils need help enforcing SV agreements despite them being some of the KPIs agreed upon by both parties. Furthermore, due to specific procurement regulations, a provider who failed to deliver SV in a previous contract may qualify for another contract (based on criteria for the new project) with the same buyer, and this will be awarded despite it being clear by experience that the provider will not deliver SV. More data about this challenge can be seen in Appendix 12

> *'And what I mean by that is X and I have obviously been practitioners in local government procurement for many years. And what you know, and what we know, which you might not know if you haven't been in the game, is, though your contract may allow you to enforce remedial measures on a supplier because they have not delivered the apprentice, for example, that they said they would, we know that in the bigger picture, the relationship the council may have with that supplier may be superb. They may be delivering the core service they've been asked to deliver. They may be doing it well; there are no problems between the council. So then there comes this really difficult situation: Do you pull them up on the fact that they haven't delivered something in*

your SV? And do you take contractual action against them? So, these are the conversations that are happening between my team and the X team. These are core conversations, by the way. I know they are happening across London, local council procurement, but as everybody's having that problem at the moment . . .' [B3a]

'The public procurement regulations say that we're not allowed to consider past performance when awarding a new contract. There was a case where a supplier won a contract but did not deliver any SV as agreed. They bid for another of our contracts and came out at the top of our evaluation. But we know they're not going to deliver the SV, but we're not allowed to consider it (past performance). So, the public procurement regulations completely contradict the SV obligations we have about enforcing SV.' [B6]

Based on these responses, one could argue that having SV as part of a procurement contract does not determine its delivery, even though contracts are expected to be binding. To top it all off, the councils do not appear to have the legal backing to compel the providers to fulfil their part of SV agreements.

Extent of SV Knowledge

Data suggest that although SV is not a new term, the procurement actors do not have a full grasp of the concept yet. Some members of both the buying organisation and the providers have a limited understanding of what SV means, and as such, the level of commitment and quality of SV delivery are impacted.

'SV is a tricky subject, and people are still grappling with it. And everyone's in a slightly different place. So, the people who procure every four years – you know, a week ago, I spoke to one who procures every four years and goes, "What's this social value now? Last time I procured, I didn't do this,' and I'm like, 'No, the world has changed. This is what the new thing is." [B1]

'We have a new mayor who really believes that SV is important. It's a great way of getting that, you know, ensuring that every pound that we spend on our contracts gives something back to the borough in a positive way. But he hasn't spoken much about what SV means to the council, what it should include, what it should involve, how we should apply it, whether we should be bigger,

more ambitious, and any of that, making sure that we are getting those commitments from the suppliers when it comes to SV.' [B2]

'So, we feel SV has evolved from being an infant to being, I wouldn't say, a mature adult. Yeah, I think everybody still has a lot to learn. But certainly, I think SV is on everybody's lips now, you know. It's not an alien concept anymore.' [B3a]

'I've had SV proposals from suppliers that showed an utter lack of understanding of SV. We're never going to have high-quality SV if we have no expertise in it.' [B6]

'I think one of the things that we struggle with is officers fully understanding what that [SV] means. When you try to introduce that into a procurement process, there are conflicts with it; I've only got a budget, which allows me to do this much. Therefore, sometimes, the service is focused on what they see as the bottom line and the budget line and does not necessarily appreciate the wider benefits of SV. And you know, the multipliers that come through that. So that can be a bit of a challenge.' [B7]

The presented data suggests that while SV is gaining recognition, there are still notable limitations in SV knowledge and understanding across councils and suppliers. For example, B1 notes that some individuals are new to the concept of SV, particularly those who procure infrequently and struggle with adapting to the modern procurement landscape that now includes SV considerations. Similarly, participant B7 describes how officers struggle to fully grasp the broader benefits of SV, focusing instead on budget constraints. This limited perspective can hinder the incorporation of SV in procurement processes and restrict the realisation of potential benefits. In the instance where there is SV buy-in, there also exists limited clarity; B2 highlights a lack of clear direction from leadership regarding the role and importance of SV. Although there is an acknowledgement of its significance, the absence of explicit guidance on what SV should entail may hinder its consistent and effective integration across council operations. Furthermore, the response from B6 suggests that some supplier proposals demonstrate a significant lack of understanding of SV. Without expertise in SV, the quality of proposed initiatives may fall short of expectations, limiting the potential impact.

From the providers' point of view, the challenges lie not only in the lack of SV knowledge but also in the different ways that the councils and providers interpret the concept and, most importantly, the arising misalignment in their respective interpretations.

> *'I think there are a number of challenges. Firstly, councils don't always understand what SV is. Some councils are really far down the line. They really understand SV and how it's recorded. And they've lined it with their own strategies. And they're brilliant, and that really works. Other councils don't have an arm as far down that road with this, and their understanding is very different. So, what we consider to be SV will not align with theirs. The counsellors out there have no clue about SV, and they make it very difficult because their understanding is not where it should be.' [P4]*

> *'We are asked to make promises of what we are looking to offer without being given a lot of guidance.' [P6]*

The provided statements emphasise the disparities in understanding and guidance regarding SV across different councils, affecting its effective integration and delivery in procurement processes. P4's response indicates a wide range of understanding and familiarity with SV across councils. Some councils have successfully incorporated SV into their strategies and understand how to measure and record it, while others have not yet aligned SV with their strategies. This inconsistency can lead to challenges in coordinating and implementing SV in various projects. Additionally, as highlighted by P6, P6 providers are often expected to make commitments regarding SV without sufficient guidance from councils. This lack of clear instructions and expectations can make it challenging for providers to understand what is required and how to meet SV goals effectively, potentially resulting in a struggle to propose meaningful and impactful SV initiatives to the councils.

Level of Significance Placed on SV

The third challenge with delivering SV is the level of significance placed on the concept. Data indicate that some procurement actors take SV less seriously; for the buying organisation, SV appears to be treated as a nice thing to have, whereby the practice does not reflect the council's well-designed policy. On the other

hand, the providers are reluctant to commit to SV delivery and, in some cases, leave SV unattended if the SV is left unmonitored by the council. B1 suggests that commissioners and suppliers may overlook SV, causing delays in contract completion. B2 highlights the existence of an SV policy that appears well-designed but has not been utilised since its creation, indicating a disconnect between policy creation and practical implementation. This lack of consistent focus on SV suggests that it may not be treated as a priority throughout the procurement process. Additionally, B6 and B8 point to suppliers' apathy toward SV despite repeated reminders, with councils failing to enforce SV policies effectively and the absence of substantial SV commitment.

'If the commissioners and the suppliers have forgotten about the SV, sometimes it could delay that completion.' [B1]

'The council has an SV policy; it looks really nice. You think, "Oh, wow, this looks really good. Clearly, these guys are really on it. They know what they're doing." That's what I thought when I first started, but it has not, and I have now concluded firmly that it hasn't been used once since it was written.' [B2]

'Some suppliers know they are good at delivering the contract requirements but don't care about SV. I mean, I assume that's the case. They've been told many times about SV as this is an issue; please get on with it, but they don't. So, I assume it's deliberate on their part. As a council, we are not taking SV seriously. I get pushbacks saying we don't want to do SV despite it being a policy, and we're not allowed to decide on policies.' [B6]

'So, we're experiencing some challenges from our contractors because they don't feel like they've signed up to it. But they didn't sign up to much of anything.' [B8]

'Honestly, two or three years ago, I would say loads and loads of companies were asking you to tick a box about SV, and it never really went anywhere. Some people ask you at the beginning, then six months into the contract and never mention SV or chase it up until the last six months of the contract, and then what they're asking to be done in these six months wouldn't be achievable.' [P6]

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Details from Participant P1 indicate that the level of seriousness placed on SV by the councils will determine whether the suppliers deliver or not. For example, if it is treated as a tick box, then the suppliers will most likely not deliver on it, but if they sense some seriousness, they may respond accordingly.

Misalignment of SV Need, the Length and Value of a Contract

The third challenge identified in the participants' response is the misalignment of SV needs, as well as the length and value of the contract. The data presented about 'Procurement Spend Threshold and SV Weighting', identified that a certain value (weighting) is assigned to SV, and every procurement contract has a specified value for which its threshold determines SV delivery. Considering these factors and the length of the contract, the procurement actors appear to need help to align the duration of the contract and the monetary value (fund) available for delivering SV through that particular contract with specified SV needs. Identified instances include unrealistic SV demand from the buying organisation, and impractical tender offers from the providers to win a bid. Also, there is a mismatch in selecting SV to deliver whereby the requested (from the buyer) or offered (by the provider) SV project does not match the context of the SV delivery, say, the community need. Both the buying organisation and providers of SV expressed their experiences with this challenge.

> 'After a few tenders, we soon realised that actually, people are winning on SV. Yeah. With very unrealistic offers that they'll never be able to achieve.' [B3a]

> 'SV is easier to apply in some areas than others; trying to create things like apprenticeship opportunities in a residential home is not that easy. If you're building a big office block, I don't expect them to use that local employer for that bricks and mortar and things like that. But I certainly expect them to use a locally organised, locally based organisation for things like their security, their cleaning, their catering, and things like that. The final area is what we call corporate services, which are more difficult to bring SV into because how do you bring SV into Microsoft Word, for example, Microsoft products, or instead of building this laptop?' [B10]

> 'I would say that some councils don't understand. They use a user-blanket-kind of approach, which is not good for construction because some of those targets are beyond what is actually realistic to

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achieve. What we were told to do was to write an SV plan that achieved a certain percentage of the contract value, which was normally between 10% and 15%. And that made it really difficult because some projects, because of the timeframes, because of things that were going on – you just couldn't hit that percentage.' [P4]

'Some of what the councils want, which could be what they're asking for, have no relevance to the value of the contract. So, some people don't have any idea what they're asking for. The value of the job and the longevity. So, they may say to you, "We would like you to take an apprentice on . . ." You can't take an apprentice who wants to be an electrical apprentice for four years when the work they give you is only twelve months.' [P6]

'You can make a range of promises, which are quite substantial in their value, and then you get left midfielder and right midfield requests from people who are not necessarily involved in the day-to-day SV element for the council.' [P6]

Overall, the data presented in this sub-section suggests misalignments between SV needs, the length and value of contracts, and the feasibility of achieving SV goals. As can be seen in data from B3a, tenders are sometimes won based on unrealistic SV promises that cannot be delivered within the contract scope. P4 adds that councils often set SV targets as a percentage of the contract value, typically between 10% and 15%, which can be challenging to achieve due to project timeframes and other constraints. B10 also emphasise the varying ease of applying SV across different sectors, noting challenges in areas such as residential homes and corporate services. From the providers's point, P6 points out that councils may request SV initiatives that do not align with the contract's value or duration, such as asking for an apprentice for four years on a twelve-month contract. These instances suggest a lack of understanding and unrealistic expectations for SV, which can impede successful implementation and delivery.

Supplier's Failure to Deliver

The fourth challenge, which appeared to be a major issue according to the participants, is the failure of suppliers to deliver on the SV. This challenge was particularly surprising because it is expected that a contractual agreement would be abided by the parties involved, but that seems different with SV delivery.

Responses suggest that although both the buying organisation and providers agree on SV, the providers often fail to deliver, and the buying organisation find it even more difficult to compel the other partner to deliver as agreed.

The researcher initially thought that such a contractual agreement would be binding. Still, the reality seems different, as illustrated in the data below and supported by the contractual challenges presented beforehand in this analysis chapter (see p. 128).

'The difficulty we're having is, what do you do when a supplier doesn't deliver on their SV offer? Do you trigger those clauses? Or do you not trigger them? What do you do as a contract manager, especially if they may be delivering the core service that they've been asked to deliver but not SV? So, it's that anomaly between suppliers winning contracts based on an SV offer and maybe only delivering 70% of that offer. Yeah, what do you do? What do you do as a contract manager? Do you slap them on the wrist? Or do you turn a blind eye to it because everything else is?' [B3a]

'There is a big difference between a supplier offering SV and it being delivered. Yes, successfully.' [B3b]

'It's not difficult to include them (SV), but it is difficult to get them delivered; it is probably the hardest part of it. I think the challenge is really, and particularly over the last two to three years, quite difficult in terms of commitments that contractors have made. It's easy for these contractors to respond to tenders and provide these commitments. You know, they haven't always been able to do that (deliver).' [B7]

'You know, suppliers say they will do XY and Z, and then there's no delivery.' [B8]

'We put it in their contracts that says if you don't deliver this, there will be implications for you not delivering it, just like any other key performance indicator in their contract. But the public procurement regulations at the moment are stopping us from doing anything about enforcing SV.' [B6]

The data suggests a consistent pattern of suppliers failing to deliver SV as contractually agreed, posing challenges for contract managers and councils; B3a discusses the dilemma of managing suppliers who win contracts based on SV offers but do not fulfil their promises, especially when the supplier meets other contractual obligations. B3b and B8 contributed to this information, noting the discrepancy between suppliers offering SV and successfully delivering it, thus highlighting the gap between promises and execution. The response from B7 further stressed the difficulty in ensuring SV commitments are met, pointing out that contractors often struggle to deliver on their SV promises made during the tendering process. B6 hinted at a plausible cause of this challenge, revealing that while contractual clauses specify consequences for failing to deliver SV, public procurement regulations make it challenging to enforce these clauses, limiting councils' ability to hold suppliers accountable.

Management of SV Delivery

The final challenge identified in this section is managing SV delivery during the procurement process's contract delivery and monitoring phase. The participants' responses suggest that SV is only monitored at the end of the contract when the project needs to be signed off. This finding further sheds light on the initial challenge of low significance placed on SV because if SV is taken seriously by all actors at the different procurement phases, better management will be reflected. Other management challenges are also identified in the statement below.

> *'For some contracts, we occasionally get to the end of the contract, and they haven't delivered their SV commitments. And that's when we need to start sort of the negotiation of the timeframe because, obviously, we don't want to sign anything off until, like, that's been delivered. If you've got to the end of a ten-year contract and haven't noticed they haven't done their SV, then that's really bad contract management.' [B1]*

This statement from participant B1 implies that the more time before an evaluation is done, the more likely it is to get to the end of the project and realise that SV has not been delivered, thus poor contract management. Therefore, time (for monitoring) is considered here. It's a factor in ensuring proper SV management, and its frequency can help identify when SV delivery is being affected on time. Another

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identified challenge in this section is how the buying organisations respond to the SV provider's failure to deliver and how they (councils) manage the situation to prevent future recurrence.

'There's a real challenge to get suppliers also because the other side of that is, if you don't, effectively, you know, slap them on the wrist and actually do something about it, they will also choose not to perform in the future on SV.' [B3a]

'We do acknowledge that we need to continue our improvement around the management of the delivery of it and the consequences of non-delivery. I think the local government has become quite good at the incorporation of SV into our procurement process, i.e., the tendering process. We haven't quite reached perfection when it comes to working out the delivery,' [B3b]

'We don't have the systems in place that would enable us to track and have oversight of those KPIs and what's been delivered and what's not been delivered because contract management is done at a local level.' [B7]

The next comment took a slightly different turn, implying unfairness in the councils' SV requirements because having a standard rule for all bidders does not appear to take into account the varying positions of the bidders (i.e., some may have the extra resources and capabilities for SV, while others may not).

'To apply a hard and fast rule when the bidders aren't in the same position isn't particularly fair. In some ways, it's difficult. And if anyone were ever to challenge as to why a certain score was given for an SV element, it would be difficult.' [B8]

Speaking with the providers, the management challenges highlighted are the coordination of activities and the lack of synergy between the various departments in the council. The researcher is of the view that this challenge seems to feed into the previous issue explained earlier (refer to 'the extent of SV knowledge' challenge). This assumption comes from the researcher's understanding that limited knowledge or failure to buy into the SV move could result in disagreements between the departments and the council, involving members who may not have appropriate knowledge about SV delivery.

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'I think, for us who were working with local authorities, the biggest challenge is the sort of lack of synergy between departments.' [P3]

'The second challenge is that internal fight that I just talked about between procurement and SV. I don't think that some counsellors always have the right people in the right places.' [P4]

4.5 RQ3 How do the beginnings and endings of procurement contracts affect the associated SV?

This research question was set to understand the impact of contract beginnings and endings on SV. In other words, with this question, the research looked at what happens to SV at the beginning and the end of the procurement it is associated with. The majority of data presented so far in this chapter already captured what happened to SV at the start of the procurement, demonstrating that SV gained the most attention at this stage and the different approaches to embedding SV in the tendering phase. As the 'beginnings' part has been addressed in the RQ2 section, this section will focus on presenting the findings of how the endings of procurement contracts affect the associated SV.

4.5.1 SV and Contract Endings

The data analysed for this section suggested that the current delivery of SV through procurement is unsustainable, as it often ceases when the associated project or contract concludes. The data also indicate that SV commitments are frequently delayed or postponed during the contract period, and there is a noticeable gap in their realisation by the contract's end. This inconsistency further confirms some of the previously presented challenges of SV delivery, such as the level of significance placed on SV (see p. 133) and management of SV throughout the procurement process (see p. 137), which all, amongst other factors, contribute to suppliers's failure to deliver SV (see p. 135). These irregularities necessitate renegotiation and re-evaluation of SV delivery timelines, indicating a systemic issue. Furthermore, the absence of thorough follow-up and post-project evaluation limits the sustained impact of SV delivery beyond the project's immediate lifecycle. Once the contract ends, monitoring and reporting of SV outcomes also cease,

undermining the continuity and durability of social value initiatives. See the interview data below and refer to Appendix 13 for additional data on SV and contract endings.

'It depends on whether the SVs have been completed or not. Often, activities can happen at the start of a contract. Some suppliers say we're not going to make those commitments until six months in because we need to focus on service delivery to start with whatever. We occasionally get to the end of the contract, and they haven't delivered their SV commitments. And that's when we need to start sort of the negotiation of the timeframe because, obviously, we don't want to sign anything off until, like, that's been delivered. But at the same time, it is on our longer contract. Sometimes, it's like an annual thing. So, there'll be a commitment per year. If the commissioners and the suppliers have forgotten about the SV, sometimes it could delay that completion. With larger companies, it tends to be like a separate work programme for them. And then it's just deleted, often delivered by a separate team internally, etc. So, it depends on the contract.' [B1]

'I think once the contract has ended, and we've monitored and reported back on all of the KPIs and SV, there actually isn't much of an after story or journey beyond that. I think that's something that probably needs to be looked at at some point. But yeah, it's something we don't really follow up on, in a sense, because once the contract has ended, the SV is handed over all the KPIs that are delivered on the core side and also on the SV. They hand it over, it's reported back, and then that's it, in some ways.' [B3a]

'It's project-based, so it has a start date and an end date, and then that's it. It goes.' [B5]

Getting the views of the providers also confirmed that SV delivery through procurement is unsustainable, primarily due to its close alignment with the lifecycle of the associated project or contract. When projects reach their end, usually after a set term like four years, suppliers often focus on renewing client relationships rather than sustaining or expanding the SV impact. Although some progress reports are created for internal sharing at the end of the term, this practice indicates a sense of closure rather than ongoing engagement with the SV outcomes. Likewise, suppliers tend to prioritise securing new projects over maintaining the continuity of SV initiatives from completed contracts. This shift in focus from sustaining SV to starting

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new projects reveals the transient nature of SV commitments in procurement, ultimately limiting the potential for long-term impact and sustainability.

> *'Most of the projects that we work on in our contract come to the end of the four-year term. A lot of the time, we actually returned for it and are sort of contracted again. So, we haven't lost many clients since I've been in the SV team, which is great. But I can think of a couple where we've run to the end of term, and we just finished what we're doing, and sometimes, we create a progress report to share internally. But yeah, it's not something we've dealt with often, to be honest.' [P3]*

> *'Once you've stopped as a business, you've got to try and focus your energies on the next project.' [P4]*

The responses presented about SV and contract endings indicate that SV is treated as project-based and, therefore, ends with the procurement contract that it is associated with. To further explore this impact, the researcher enquired about the participants' take on the potential of SV continuity. Responses further confirmed that SV, in almost all cases, is discontinued at the end of the actual procurement contract. However, despite the current state of the practice in terms of SV discontinuity, the participants believe that SV continuity is possible but constrained by some associated challenges. Some challenges that affect SV continuity identified in this research include a need for more resources, SV knowledge, SV monitoring capability, the political will to integrate and deliver SV through procurement, and the dynamics of the environment at large.

> *'I think the challenge with that [SV continuity] is that it involves crossed divisions within the council working together seamlessly, which is more challenging. And I think it's more difficult because not every procurement is going to have SV outcomes because of the size of what you're buying, and the funding would vary so much. To make sure you receive reasonable and relevant SV outcomes, someone has to be on top of it at all times, and I think that becomes a challenge. But I also think as you become better at understanding what your borough needs, then you just almost like put it into a pot and then draw down from it when you need it.' [B1]*

> *'SV delivery is not really monitored.' [B2]*

'There has to be a political will. The councillors have to want to keep doing it. I don't think the SV Act is strong enough to compel local authorities to do this properly. I get a lot of pushback from senior leadership in the council offices, not counsellors, saying we don't want to do SV despite it being a policy, and we're not allowed to decide on policies.' [B6]

'There are some of the things, you know, which impact the delivery, if you like, from a procurement perspective because you'll have a political view, which is everything focused on the borough, you know, but you shouldn't have boundaries when it comes to SV. I get there might be a priority.' [B7]

'The problem with procurements, as you will be aware, is that what you wanted two years ago and you put into a bid then may not be required when it comes finally, you know, through the process if it gets delayed for whatever reason, for COVID or that sort of thing. So yeah. But you know, we're looking to improve it. I'm not sure how successful we will be.' [B8]

'I think the challenge for the public sector or any buying organisation is the financial implications of those decisions. Our council, for example – we don't get extra funding because of the fact that we're going to do that; it's the council taxpayers themselves that have to see that it's a good idea.' [B10]

The participants' data about SV continuity indicate difficulties with sustaining SV delivery beyond a procurement contract. One major obstacle is the need for seamless collaboration across different divisions within the council, which can be difficult due to differing priorities and funding sources across divisions. This lack of coordination is compounded by the fact that SV delivery is not consistently monitored, making it challenging to ensure continuity and effectiveness in SV initiatives. As data suggests, achieving sustained SV delivery requires political will, particularly from councillors and senior leadership, which may not always align with SV policies. Other factors further complicate the sustainability of SV delivery. Political priorities can overly focus on local borough needs, creating boundaries that limit the broader impact of SV. The dynamic nature of procurement needs, such as changing priorities over time or delays caused by external factors like COVID-19, can undermine SV effectiveness and continuity. Furthermore, financial constraints pose a significant challenge for councils, as procurement decisions involving SV are often

considered to place a financial burden in the absence of additional funding, making the decision-making process more complex. These findings are consistent with the constructs depicted in Figure 2.9– the conceptual framework, specifically showcasing how elements of TCE, such as transaction cost and governance structure, impact the diffusion of SV, which consequently affects the achieved social outcomes, such as failure to deliver SV objectives in some cases.

Most of these challenges presented in this section are similar to and echo the obstacles to the current delivery of SV, which also emerged as sub-themes identified in this project. The research identified key areas that pose real challenges to SV delivery, which have been presented in the preceding section

4.6   Secondary Data Analysis Reporting – Case Participants' SV Policy

This section presents data that address the different research questions. The researcher selected the SV policies of all the London Borough councils to identify the documented version of the areas of SV relevant to this research. The steps taken to analyse these data were detailed in the methodology and analysis chapter of this thesis, but to reiterate, thematic analysis was used to examine the primary data, allowing themes to emerge from the data. These themes (and subthemes) became pre-existing themes used to analyse the SV policies for triangulation purposes. Using the SV policy is to compare what is documented as the councils' strategy to embedding SV in their procurement process with the actual practice of delivering SV through procurement. Although the pre-established themes were used for the thematic analysis of these data, not all the themes and subthemes were identified. Having said this, it is essential to state that RQ4 and RQ5 could not be addressed using the SV policy because RQ4 looked at SV continuity. In all the SV policies reviewed, there is no coverage of how SV will be continued beyond the associated procurement contract. This discovery confirms the interview responses that SV is treated as project-based, and there are currently no considerations to sustain SV beyond the related project. RQ 5, on the other hand, looked at challenges for actually delivering SV, and since these challenges are ongoing practical experiences, they were only captured via interviews with the participants. Having clarified the extent of this analysis, only the themes and subthemes identified in the SV policies are reported as they apply to RQ1, RQ2, and RQ3 throughout this section.

4.6.1 RQ1 What is the real-world interpretation of SV, and how does it align with academic definitions?

Since the initial analysis of the SV definition incorporated the case participants' definition of SV as presented in their various SV policies, the analysis of SV will not be repeated here.

4.6.1.1 Meaning of Local

The previously analysed interview data in the 'meaning of local' section already identified that local is interpreted differently by the buying organisations and plays a significant role in determining where SV is delivered. A look at 'local' in the SV policies presented, 'local' is used to mean a specific borough. This confirms the highlighted notion in the interview data analysis that to most buying organisations, local means the borough, not London Borough at large. This finding also confirms the idea that the councils see SV from a local perspective as opposed to the academic perspective of SV in terms of 'individual', as demonstrated in the interview data analysis section. See below for for data from SV policy statements's interpretation of 'local' and refer to Appendix 14 for more information.

> *'This seeks to support the delivery of the Borough Manifesto goals to increase job density and improve local incomes and employment rates by creating new job and training opportunities for residents (either directly or indirectly by supporting businesses based in the borough to grow.'*
> *[BSVP1]*

> *'...Encouraging our supply chain to use local labour, i.e., from within the borough's boundaries.'*
> *[BSVP12]*

In one specific instance (BSVP19), the council went further to clarify local in the policy explicitly. When describing local in an individual context, it means residents in the borough; however, when describing local in terms of suppliers, the definition extends to neighbouring boroughs. This explanation, although extended (to suppliers), appears to still imply that when it comes to where to deliver SV, 'local' refers to the council's borough.

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'All SV commitments should be appropriate to the local area and provide tangible and long-term benefits for local residents and the economy.

A local person is defined as a person that resides within [. . .] the council's geographical boundaries (the local area) at the time of their initial application for employment in relation to the Contract.

Local supplier shall mean a supplier who performs any part of a contract from premises within the geographical boundaries of [the council], London Borough of [lists neighbouring councils] and [. . .] within the M25 area.' [BSVP19]

The analysed SV policies highlight a strong emphasis on retaining council contract spending and benefits within the borough's geographical boundaries, as seen in the preference for supporting local suppliers and employment opportunities. For instance, the strategies prioritise engaging local labour and businesses within the borough, creating job and training opportunities for residents, and supporting the growth of borough-based businesses. Likewise, local suppliers are defined as those working within specific geographical areas, which further underscores the localised approach to SV. The following section presents SV policy data on the councils' approach to SV.

4.6.1.2   Approach to Social Value

The previous analysis of the councils' approach to SV (see p. 142) reported that the councils approached SV integration and delivery differently in terms of their way of engaging with the concept. Some participants use SV as an avenue to deliver the council manifesto and, as such, are considered pertinent to delivering the council's promises to the community. The secondary data confirmed this finding, as demonstrated in the data from the SV policy statements below. The SV policy data also suggest a collaborative approach regarding SV knowledge-sharing between councils rather than customer engagement. See the data below and refer to Appendix 15 for additional statements on councils' SV evaluation and monitoring.

'The council will maintain a co-produced approach to SV as we improve and ensure the voice of the communities we serve reflects the SV we define and measure. To ensure the ongoing coproduction of SV, the council will commit to creating an SV panel. This will be a multiagency group comprising residents, VCFS partners, and businesses. The panel will enable the council to engage local micro and SME, voluntary and community sector groups, and residents to allow for the co-design of SV outcomes that matter to the community.' [BSVP12]

'The list of SV benefits will be considered and form an integral part of the commissioning strategy rather than an "add-on" to the procurement process. The specific strategic priorities will be agreed as part of the commissioning strategy to ensure they are proportionate and relevant to the type and value of each contract.' [BSVP14]

'The council believes that sharing knowledge and best practices is an important process for raising the overall standards of local government commissioners and will share all relevant best practices about SV through appropriate forums such as the London Council's Procurement Networks.' [BSVP2]

The SV policy data indicates that councils take a collaborative approach to SV by involving residents, voluntary and community sector groups, and businesses in designing SV outcomes to ensure SV benefits are meaningful and tailored to community needs. By incorporating SV benefits into procurement and aligning them with broader goals, councils aim to maximise social impact and achieve value for money while advancing community-focused strategies, as data suggests.

4.6.2   RQ2 How is SV procured and embedded in the procurement process?

4.6.2.1   Approach to Identifying SV to Deliver

The interview data reported that when it comes to identifying which SV to deliver alongside a procurement contract, the councils used prescriptive or collaborative approaches, as categorised in this research: Where the council engages the community to identify SV needs (collaborative) and where the council presents the

providers with a list of SV priorities using the standard TOMs (prescriptive). The data from BSVP1 and BSVP 13 suggest a collaborative approach to SV delivery.

> *'It's worth noting that very rarely are two procurement processes the same or yield the same results as the intention is to try and match supplier commitments to specific needs within the community wherever possible.' [BSVP1]*

> *'The council plan provides the underpinning strategic direction for the SV Policy. This is currently left up to the supplier to define, as the council does not provide a menu of SV themes and outcomes. This will ensure that the TOMs are regularly informed by the most up-to-date insight into community needs and priorities. We will review the whole toolkit annually.' [BSVP13]*

The data suggests councils lean towards a collaborative approach to SV delivery. One key aspect is the councils' intent to match supplier commitments to specific community needs, acknowledging that procurement processes vary because they aim to address unique local requirements. This approach allows for greater adaptability and responsiveness to community priorities. Additionally, while the council's strategic plan guides SV policy, there's flexibility for suppliers to define SV based on current community insights to ensure SV initiatives reflect the most significant needs of the community and maximise impact. More evidence of the approaches is presented in the level of community engagement section.

4.6.2.1.1 Level of Community Engagement

The interview data analysis section suggested that the level of community engagement is an important theme to consider as it gives a deeper understanding of the extent to which the buying organisations engaged with the community in identifying SV to deliver. It was found that, on the one hand, some councils, especially those with a collaborative approach, engaged more with the community to design and update the council-specific TOMs as necessary. On the other hand, some councils (the prescriptive ones) use the national/standard TOMs and, as such, need more community involvement in deciding whether SV should deliver. Analysing the SV policies allowed the researcher to compare the responses (practice) with the official SV policy documents. The data supported the findings that the councils have different approaches

to choosing the ideal SV to deliver (refer to the approach to SV in the analysis chapter), but the majority uses the standard TOMs. Hence, a few responses are indicated below to avoid data overload.

> *'Suppliers wishing to bid for works with the council will be asked to set out convincing SV proposals that support the delivery of the Borough Manifesto goals and Corporate Plan priorities. The manifesto was the product of consultation with nearly 3,000 residents.' [BSVP1]*

The statement from BSVP13 goes a step further by considering SV from the co-design and co-delivery perspective, thus strongly emphasising the council's collaborative approach.

> *'Understanding local needs and working closely with residents and community organisations in designing and delivering services and outcomes that address those needs are key principles of [council] strong foundations. Through SV, we will seek opportunities for co-design and community engagement. We will also take every opportunity to maximise the number of [council] organisations that participate in the council's supply chain.' [BSVP13]*

One peculiar instance observed in this section is the buying organisation, which has a great idea of stakeholder involvement as stated in the SV policy but which hasn't been the case in practice. The interview data reflect the buying organisation as one of those perceiving SV as a nice-to-have item and one with irregular community engagement. As the SV policy data does not correspond with the interview data, it gives the sense that the practice doesn't mirror the theory.

> *'Consulting and engaging with all relevant stakeholders, both within and outside the council, and using this insight to continually update both the scope and specificity of [council's] key SV priorities.' [BSVP2a] – SV Policy Statement*

> *'The Council sees SV as a bit of a nice to have. Okay, that's been the kind of perception. Every time I spent doing it was, oh, yeah. Okay, we need to do it, but I'm not really fussed about what the response back is. It is kind of a tick box.' [B2] – Interview response*

"We have community engagement, but it is very sporadic. It's not systematic. It's not a sort of standardised approach, and some areas are better than others and are more engaged with others. We have an economic development team that is focused predominantly on improving the local economy, which is a big part of it. But it's not all of it" [B2] – Interview response

Another interesting discovery is that in the BSVP12 instance below, it is up to the suppliers (SV providers) to decide which SV to deliver. The researcher's take on this approach is that if the suppliers do not engage the community to find out their needs, then the SV theme will most likely be based on what they [suppliers] are capable of delivering in addition to the contract, which may not entirely give a true reflection of the community priorities.

'The plan provides the underpinning strategic direction for the SV Policy. This is currently left up to the supplier to define, as the council does not provide a menu of SV themes and outcomes. This will ensure that the TOMs are regularly informed by the most up-to-date insight into community needs and priorities.' [BSVP12]

4.6.3   Embedding SV in the Procurement Process

Data below have been extracted from sections in the council's SV policy with details relevant to presenting the phases where SV is captured during procurement. The analysed interview data (see p. 118) suggested that SV was given more attention at the start of the procurement process. Although data in the SV policy reflects SV being captured at the pre-procurement phase, more findings (from the SV policy) do not reflect how SV is embedded in practice. The researcher found that:

1. Some councils' SV policies suggest capturing SV at a wider range of stages beyond the pre-procurement phase by mostly adopting the standard procurement toolkit to demonstrate the stages where SV will be considered in the procurement process. For example, councils emphasise the inclusion of SV during pre-procurement and strategy development stages, as well as throughout the entire process, including preliminary commissioning and final outcome review stages. This commitment to integrating SV across different phases demonstrates a broader perspective on how councils effectively embedded SV in procurement practices.

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'Within the council's contract rules, it is already mandated that SV must be considered at the pre-procurement and strategy development stage.' [BSVP1]

'SV is embedded throughout the process, being considered from the preliminary commissioning strategy stage all the way until the final outcome review stage.' [BSVP2]

'The tools we have available to us will support us in delivering SV without the need to change the way we are already doing things because the online Procurement Toolkit has five stages, which coincide with the steps of the four distinct stages at which SV can be considered in the procurement process.' [BSVP11]

'At the beginning of every commissioning exercise, the specifications and designs being procured will be analysed to identify SV outcomes that might be sought [. . .] Additional capacity in the council will ensure that SV can be assessed both in the tendering process and its delivery through the contract.' [BSVP12]

'Some of the KPIs we will use to measure the impact of SV work undertaken will include [. . .] (SV impact measurement). The SV delivery plan will ensure all the key activities required to deliver [council's] SV objectives are clear and achievable (SV delivering and reporting). SV commitments, delivery, and the SV fund will be monitored by the Commissioning and Procurement board (governance and monitoring).' [BSVP13]

2. Like some of the SV policies, the statement from BSVP 14 and BSVP 15 implies that SV will form an integral part of the procurement process without further details on how this will be achieved. However, the 'integral part' appears to imply adding SV mainly in the tendering process.

'The list of SV benefits will be considered and form an integral part of the commissioning strategy rather than an "add-on" to the procurement process.' [BSVP14]

'SV is not an optional extra. It is a core tool for ensuring the council gets additional value out of every pound that we spend on behalf of residents. Developing mechanisms to improve consistency

and coordination will be a priority as the authority embeds its approach to SV [. . .] By including SV in the evaluation criteria, the winning bidder will be assessed under a tendering process that not only provides the most economically advantageous (MEAT) bid but goes beyond the basic contract terms.' [BSVP15]

3. Most of the SV policies focused more on themes and outcomes. This means that the SV policies are mainly about the SV priorities (derived from the national TOMs or by consultations) and the benefits (outcomes) from delivering these priorities to the local community but with very little to no details on how these will be carried out. Due to the volume of the SV policies and the fact that the details relevant to these findings are spread across the applicable SV policies, a few of the data have been provided below to support these findings. The reader may need to read the entirety of each SV policy to get the whole picture.

'The inclusion of SV into [council] contracts significantly helps the council to deliver on its strategic corporate priorities and deliver added value for the borough as a whole.' [BSVP9]

'A coordinated approach to ensure the maximisation of social benefits in line with the council's commitments and priorities whilst achieving value for money.' [BSVP16]

'The launch of the council's new Corporate Plan, Ambitious for [. . .] and its focus on the delivery of key outcomes for residents have provided an opportunity to review the council's approach to maximising added SV through services we commission.' [BSVP18]

'The council adopted the national TOMs Framework as the basis of our standards and integrated these into the council's measurement approach. This approach has allowed us to measure and manage the SV contribution that our supply chain makes to society as a result of our spending.' [BSVP19]

The analysis of the data extracted from councils' SV policy statements indicates that Councils aim to capture SV at different stages, from pre-procurement and strategy development to commissioning, tendering, and final outcome review stages. Furthermore, the SV policy data suggests that councils

emphasise using standard procurement toolkits to demonstrate the stages where SV should be considered, allowing for the seamless integration of SV without significant changes to existing processes. This approach includes analysing specifications and designs during commissioning exercises to identify potential SV outcomes. Additionally, KPIs are used to measure the impact of SV work, perhaps to ensure governance and accountability in SV delivery. Thus demonstrating a broader perspective on embedding SV in the procurement process as opposed to the findings from the interview data, which suggests a stronger focus at the start of the procurement process (see p. 120). Nonetheless, some policies suggest that SV is considered an integral part of the procurement process, particularly during the tendering phase, without providing detailed explanations on how this is achieved. While councils focus on identifying themes and outcomes aligned with local community needs, there is also limited detail on the practical application of these priorities.

4.6.3.1 Evaluation and Monitoring

Information from participants' interviews suggested that the councils use the TOMs framework for SV evaluation and monitoring. It was further found that the derivation of the TOMs differs based on the approach (collaborative or prescriptive as categorised in this research) adopted by the councils in designing the TOMs. The information gathered from the SV policies not only supports the initial findings of the varying approaches to designing the TOMs but also further points out that the TOMs are part of the SV framework used to specify SV priorities (in the form of KPIs), guide the providers, and measure SV activities. Contrary to some findings from the interview data (refer to p. 124 and p. 137), SV policies also suggested a more sophisticated approach to evaluating and monitoring SV delivery, which differs from practical experiences.

> *'Monitoring of SV will consist of measuring performance against KPIs, either set out in the SV framework or through mutual agreement at the pre-award stage for commitments not currently listed in the council's SV framework. The SV framework outlines a variety of SV obligations and associated KPIs that the council has formulated based on both the national themes, outcomes, and measures (TOMs) guidance and local priorities informed by the Corporate Plan 2018–22. [. . .] The council uses its new process for monitoring high-value suppliers' SV contribution and uses the TOMs' calculator to assign and publicise the monetary value to secure SV benefits [BSVP2]*

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'*SV is measured in both financial and non-financial terms using the national TOMs [. . .]. SV outcomes will be monitored and reviewed on a quarterly basis and reported to senior stakeholders in the council annually. The strategy itself will be reviewed on an annual basis to ensure that it remains current and fit for purpose.'[BSVP6]*

'*There is a monitoring tool for commissioners and contract managers to enable a complete picture of SV outputs to be recorded [. . .] which will be used to create an impact assessment demonstrating who benefited and where those benefits were delivered and of SV in our communities. Commissioners and contract managers are responsible for ensuring all outcomes are reported by contractors/providers on a quarterly basis using the council's reporting tool, with data reported to all Departmental Management Teams. As part of the implementation of this policy, procurement will work with legal to ensure that all council contracts have appropriate contractual mechanisms to enforce the delivery of the agreed SV KPIs. The monitoring of SV delivery forms part of the council's contract management framework and enables non-delivery to be identified and rectified.' [BSVP9]*

These SV statements (refer to Appendix 15 for more data) suggest that most of the councils have set out how SV will be evaluated, measured, and monitored in their SV policies. Each council statement suggests a well-informed strategy capturing aspects like including SV as KPI in the contract, frequent/periodic monitoring of SV over the contract's life, and contractual mechanisms to enforce SV delivery as agreed in the contract. When compared to practice (interview responses), the result suggests that the reality does not reflect what is stated in the SV policies. For example, interview data suggest that in practice, some councils do not have an effective monitoring strategy, and in some cases, SV is not monitored until towards the end of the contract.

'*For some contracts, we occasionally get to the end of the contract, and they haven't delivered their SV commitments. And that's when we need to start sort of the negotiation of the timeframe because, obviously, we don't want to sign anything off until, like, that's been delivered. If you've got to the end of a 10-year contract and haven't noticed they haven't done their SV, then that's really bad contract management.' [B1]*

'We don't have the systems in place that would enable us to track and have oversight of those KPIs and what's been delivered and what's not been delivered because contract management is done at a local level.' [B7]

'The council has an SV policy; it looks really nice. You think, "Oh, wow, this looks really good. Clearly, these guys are really on it. They know what they're doing." That's what I thought when I first started, but it has not, and I have now concluded firmly that it hasn't been used once since it was written.' [B2]

Another example is the enforcement of contractual agreements where the SV provider fails to deliver. In this instance, interview data suggested that the councils have difficulty getting the providers to deliver as agreed upon and are unable to enforce the agreement.

'The public procurement regulations say that we're not allowed to consider past performance when awarding a new contract. There was a case where a supplier won a contract but did not deliver any SV as agreed. They bid for another of our contracts and came out at the top of our evaluation. But we know they're not going to deliver the SV, but we're not allowed to consider it (past performance). So, the public procurement regulations completely contradict the SV obligations we have about enforcing SV.' [B6]

'You can't penalise somebody that way; you'd have to show that you've suffered a loss. And we couldn't demonstrate we suffered a loss because they didn't deliver the SV. So basically, I'd have to try and negotiate with that supplier to give me something else in return. If they choose not to, there's not much I can do about it, which is a bit of a stumbling block. If I'm honest with you, it comes down to the fact you can't have penalty clauses in contracts.' [B10]

These findings made the researcher to not only wonder why it is challenging for buying organisations to enforce SV when it is a contractual agreement and, as such, is expected to be binding but also why the government does not provide legal backing to ensure delivery of SV policies.

4.6.3.2   Spend Threshold and SV Weighting

As per the findings in the interview data section on spend threshold, various councils have different minimum thresholds for including SV in procurement. The minimum threshold identified in the interview data by this research is £50,000. However, as found in the SV policies, the minimum threshold indicates £100,000, with the assigned SV weighting value being a minimum of 5%. The interview data regarding procurement spend threshold and sv weighting (refer to p. 124) indicate that the amount of SV included in a procurement project largely depends on the spend threshold of the project. SV is unlikely to be delivered if a procurement contract falls below the specified threshold. Moreover, the monetary value allowed for SV is determined by the spend threshold of the procurement and the percentage weighting assigned by the specific council. See the data below and more in Appendix 16.

> 'In May 2020, Cabinet approved a revised SV policy which committed Commissioners to include a minimum of 10% (and a maximum of 20%) SV weighting to the evaluation criteria for all procurements over £100,000 (excluding frameworks and waivers).'[BSVP1]

> 'Usually, SV is calculated at the government's minimum weighting of 10%. The council's default weighting to SV will be 20% of the overall assessment […]Commissioners will determine proportionality and weightings applied to SV on a procurement-by-procurement basis to maximise the deliverability of both the core contract and SV commitments.' [BSVP12]

> 'The council has agreed that, as a minimum, all procurements over £100,000 in value will be required to include SV. The standard weighting for SV will be a minimum of 10% of the overall evaluation score.'[BSVP13]

As the data comparison done for this section suggests, councils use different spend thresholds to determine when SV should be incorporated in procurement, with the lowest identified threshold being £50,000.

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However, most councils set a higher threshold of £100,000. These varying thresholds influence which contracts are subject to SV considerations, potentially limiting the scope of SV inclusion in smaller contracts. SV weightings assigned by councils also vary, generally ranging from 5% to 10%, with some councils planning to increase these weightings over time. For example, some councils start with a 5% weighting and aim to increase it to 10% by 2024–25. Other councils establish a baseline of 10% or 20% SV weighting for projects over specific monetary thresholds, such as £100,000. Ultimately, both data sources indicate that councils' approaches to spend thresholds and SV weightings play a significant role in the inclusion of SV in the procurement process according to strategic goals and policy preferences.

4.7   Chapter Summary

This chapter provided an in-depth analysis of the collected data to address the research questions. The data encompassed interview responses as the primary source and the SV policies of the participating councils as secondary supporting data. Consequently, the analysis and findings were structured into two main sections: one focusing on the interview data and the other on the SV policies. Within each section, the data were further categorised based on the research questions and the themes and sub-themes identified during thematic data analysis. The findings have also been sectioned using the RQs to summarise the findings in a clear and organised way, and the corresponding summary is presented as sub-sections.

Case Participants' Interview Data Findings

Main RQ: How can procurement adapt to SV (SV) contracting?

RQ1 What is the real-world interpretation of SV, and how does it align with academic definitions?

Data analysis for this question found that some elements need to be understood as well to gain a deeper understanding of SV.

a. Meaning of Local: The study found that the SV actors, primarily the buying organisation, interpret local differently, and their interpretation of local in terms of geographical location impacts where the providers will deliver the SV.

b. Perception of SV: Data suggested that as 'local' has different interpretations, the SV actors' perception of SV varies as well, and these perceptions have been found to influence their approach to SV.

c. Approach to SV: The analysis also uncovered the various ways in which the buying organisations engage in the procurement of SV.

d. Finally, regarding the definition of SV, it was found that in practice, there is a range of ways in which SV has been defined, thus mirroring theoretical findings that there is no consensus on the definition of SV. This study took a step further to compare the case participants' SV definitions with scholarly definitions and discovered that academics in their definitions appear to see SV in terms of community and individual. At the same time, the buyers consider SV in terms of community and local.

RQ2. How is SV procured and embedded in the procurement process?

a. Approach to SV need identification: As SV procurement and delivery are centred on SV needs, the researcher looked into how the SV need is identified and found that there are different ways to address it. The researcher categorised these as prescriptive and collaborative approaches to SV need identification because, on one hand, there are councils that use the standard TOMs when identifying SV to deliver, and the TOMs being standardised by the central authority may not reflect the actual need at the time of the procurement. On the other hand, some councils engage the community to identify the needs documented in the council-specific TOMs and are also flexible in modifying the SV being provided to reflect actual local needs during the procurement process. Also, data suggested that across the councils, there is a variation in the extent to which the communities are engaged in identifying SV needs.

b. The research also found that greater attention is given to SV at the start of the procurement process.

c. Upon analysing the evaluation and monitoring data, it was discovered that participants use different tools, with the most used tool being the TOMs, which are derived differently based on the approach used in identifying SV needs. Not only are the measuring tool and its derivation different, but the councils' SV monitoring and evaluation frequencies also vary.

d. The researcher also learned that to embed SV in any contract procurement, the procurement project must be of a certain threshold and weighting. Although this 'spend threshold' appears to differ across the participants' councils, the identified minimum threshold in practice is £50,000. In essence, any project below this threshold will not include SV.

RQ2.1 How easy or difficult is it to contract for SV delivery through procurement?

a. The responses indicated that contracting for SV delivery is easy, but the difficulty lies in delivering SV despite it being part of the contractual agreement.

b. Further challenges that were identified include the following:

    i. Contractual challenges

    ii. Extent of SV knowledge

    iii. Level of significance placed on SV

    iv. Misalignment of SV need, as well as the length and value of a contract

    v. Supplier's failure to deliver

    vi. Management of SV delivery

RQ3 How do the beginnings and endings of procurement contracts affect the associated SV?

a. Analysis of data from both the buyers and providers of SV indicates that SV is treated as project-based and, therefore, ends with the procurement contract that it is associated with. SV is, in almost all cases, discontinued at the end of the actual procurement contract.

Comparing the interview data with the participants' SV policies, this chapter presented the following based on the data analysed:

Meaning of Local

a. A confirmation of the significance of local when delivering SV, as local to the councils means the specific council's borough. However, in one instance, the geographical location was extended when it came to finding an SV provider.

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Embedding SV in the Procurement Process

a. The data supported the findings that the councils have different approaches to choosing the ideal SV to deliver (prescriptive or collaborative). However, the majority uses the standard TOMs, suggesting that more councils use the prescriptive approach.

b. The SV policy confirmed that SV is captured at the pre-procurement phase. However, there were indications from the analysis of the documented strategy (SV policy) that the statement of how SV will be embedded in the council's procurement process is inconsistent with its execution in practice. For example, some of the council's SV policies point to the councils capturing SV at a broader range of stages beyond the pre-procurement phase by mostly adopting the standard procurement toolkit to demonstrate all the stages where SV will be considered in the procurement process. However, the interview responses pointed mainly to the pre-procurement phase.

c. Regarding the evaluation and monitoring, the information gathered from the SV policies not only confirms the varying approaches to designing the TOMs but also further points out that the TOMs are part of the SV framework used to specify SV priorities (in the form of KPIs), guide the providers, and measure SV activities. The SV policies also suggested a more sophisticated approach to evaluating and monitoring SV delivery, and this does not appear to correspond to practical experiences as reported in the interview data.

Spend threshold and SV weighting

Procurement spend threshold and SV weighting were identified within the interview and SV policy data. A comparison of both data suggested an inconsistency between the documented procurement value threshold and SV weighting, compared to the responses in practice on the spend threshold.

As this chapter presented findings from empirical data derived from seventeen semi-structured interviews and secondary data from fifteen councils' SV policies, the next chapter will discuss these findings, integrating theories and relevant literature where appropriate, to answer the main research question. By doing so, the chapter will advance this thesis and demonstrate contributions to literature and practical knowledge on embedding SV in the procurement processes.

5 Discussion

5.1 Introduction

This chapter discusses the findings of this research. It draws on transaction cost economics (TCE) and diffusion of innovation (DOI) theory alongside relevant literature to discuss the findings presented in Chapter 4. The discussion is targeted at demonstrating how the research questions (RQs) and research aims have been achieved. This chapter compares and/or contrasts the answers to the following RQs with the debate from the literature.

Research Questions (RQs)

Main RQ: How can procurement adapt to SV (SV) contracting?

RQ1 What is the real-world interpretation of SV, and how does it align with academic definitions?

RQ2 How is SV procured and embedded in the procurement process?

RQ2.1 How easy or difficult is it to contract for SV delivery through procurement?

RQ3 How do the beginnings and endings of procurement contracts affect the associated SV?

The discussion starts with RQ1, which the research initially set out to answer using case data and relevant literature.

5.2 RQ1 What is the real-world interpretation of SV, and how does it align with academic definitions?

This RQ was designed to investigate the understanding of SV in practice and how it compares to academic definitions of the concept. The review carried out in the literature review chapter (see p. 13) already suggested that a range of SV definitions exists among scholars, and some of the contributing factors to this variation are the individual's and organisations' understanding and practice of the concept, thus supporting Dayson's (2017) view. Given that most SV definitions have been almost exclusively on scholarly definitions, the data analysed present SV definitions in practice as they are compared with scholarly

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definitions. Also, some key elements that shape the understanding and practice of the concept were identified and will be discussed, starting with the 'meaning of local'.

The data analysis started with evaluating the case population's definition of SV and identifying keywords that constitute these definitions. It was found that in practice, there is a range of ways in which SV has been defined, thus mirroring theoretical findings that there is enormous variability in SV definition (Dayson, 2017; Gidigah *et al.*, 2022; Nandan *et al.*, 2019; Opoku and Guthrie, 2018). This study took a step further to compare the case participants' SV definitions with scholarly definitions and discovered that academics in their definitions appear to see SV in terms of community and individual. At the same time, the buyers consider SV in terms of community and local. These findings reveal that disparity and definitional challenges exist not only among academics but also among buying organisations (councils).

Consequently, this study posits that SV's practical and scholarly definitions vary. The researcher considers this to be a very useful contribution to knowledge because most studies on SV definitions have focused mainly on comparisons of scholarly definitions. For example, the brilliant work of Jain et al. (2019) shed light on stakeholders' definitions of SV, and Gidigah *et al.* (2022) presented their unique attempt to define SV in public procurement. Both of these interesting studies contributed to the understanding of the concept. However, the used definitions have not compared how SV is defined theoretically and how SV is actually interpreted in reality at the same time**.** By providing these findings, anyone involved in SV can see how SV is interpreted academically and conceptually, as well as how both sides' definitions compare.

Further to understanding what SV is, the analysis of interview data for this question suggested that to have a deeper understanding of the meaning of the concept, some elements also need to be understood as they make up how the case participants interpret and act on the concept. This understanding will improve SV definition and, consequently, individuals' and organisations' understanding and practice of it, aligning with Dayson's (2017) position that some of the key elements are the meaning of local perception of SV and approach to SV.

5.2.1 Meaning of Local

The research discovered that the SV actors, primarily the buying organisation, interpret 'local' in varying ways. This finding is similar to that of de Beer (2018), who found that their research participants had diverse definitions of 'local' in local SV creation. Although de Beer's research sample is different, the commonality with this research's finding is the inconsistent interpretation of 'local.' This study found that participants' understanding of 'local' in geographical terms significantly influences where SV will be delivered. As pointed out in the analysis of interview data (refer to p. 104), the buying organisations defined SV in terms of local and community. Upon comparing the interview data with the participants' SV policies, it confirmed the significance of 'local,' specifically interpreted as the council's borough.

'Encouraging our supply chain to use local labour, i.e., from within the borough's boundaries.' *[BSVP12]*

'The council will look to incorporate an SV element in all of its activities. At the lower cost purchases, this will be looking to spend more locally.' [BSVP15]

However, in one case, as suggested in the SV policy data, the geographical scope was extended when selecting the supplier with SV in mind.

'All SV commitments should be appropriate to the local area and provide tangible and long-term benefits for local residents and the economy.

A local person is defined as a person who resides within the council's geographical boundaries (the local area) at the time of their initial application for employment in relation to the contract.

Local supplier shall mean a supplier who performs any part of a contract from premises within geographical boundaries of [the council], London Borough of [lists neighbouring councils], and [. . .] within the M25 area.' [BSVP19]

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Further exploration of literature data validated this divergence and offered insights into the various interpretations of 'local.' Notably, authors often addressed these terms not as separate entities but combined as 'local community.' A review conducted by Blaug et al. (2006) identified that the term community is often debated, whether it pertains to geographic location, shared interests, values, or levels of attachment to certain environments such as workplaces or institutions of learning. Similarly, some authors who discussed stakeholder management and theory posit that there is a 'local community' definitional issue that impacts the academic field and practice (Di Maddaloni and Davis, 2018; Dunham et al., 2006).

To clarify the term, certain scholars have aligned communities into three categories, as proposed by Lee and Newby (1983) and Dunham et al. (2006). According to the authors, there are three types of communities. The first type is a community based on geography; it refers to people living in the same geographical region but without any interaction among them. The second type is a community based on regular interaction, where people have a set of social relationships that may or may not be place-based. The third type is a community based on identity, wherein the members share a sense of belonging based on a shared set of beliefs, values, or experiences, irrespective of physical location.

In a similar vein, Di Maddaloni and Davis (2018) distinguished the local community based on projects and groups. Their study highlights the varied forms the concept of a local community can assume, accommodating multiple groups contingent upon the project type. Additionally, their research observed that the prevalent conceptualisation of the local community often revolves around its proximity to the project's development site.

Based on the meanings and categorisation of the term 'local community' from literature and case data, it seems evident that people interpret it differently as this research also suggests and has demonstrated through data that there is a disparity in the interpretation of the term, which consequently affects the decision-making process of where to deliver SV. For example, a buying authority that views local communities from a geographical location perspective (in this case, the borough) will mainly target its borough when deciding where to deliver SV, as seen by participants B1 and B3a below. Thus, this research suggests that the meaning of local (as seen by participants' data) is essential to clarify when defining SV.

'The idea of local, I think, has to be specific to you, which is why I think local for me can only mean [participants council]. I'd really struggle for it to mean my neighbour.' [B1]

'SV primarily is the community aspects of our supply chain. So, you know, for a company, whether they hire a person from within the borough or not within the borough is not really that important to them. But for us, it's an important part because it means more money within the borough, more local spending, which is all great stuff . . . So, you know, £30,000 in somebody's pocket is one thing, but £30,000 within a local economy is another thing. So, I think it's that element.' [B3a]

5.2.2   Perception of SV

As previously mentioned (refer to SV interpretation sections; academic and case data) (SV) exhibits variations, and a pivotal insight gleaned from the data is the perception surrounding SV. Each individual's perception greatly influences how they interpret and integrate it within procurement processes. Scholars assert a close correlation between perception and action, highlighting the strong association as an immediate aspect of social comprehension and interaction (Nther et al., 2006). Affordances, denoting possibilities of action, also play a role in perception (Gibson, 1979; Witt, 2011). Within public procurement, affordances manifest as the evident conflict between the rising demand for operational efficiency and the constraints of limited resources and capability. Participants in the study further validated this issue of affordances, noting how suppliers perceive SV as an additional cost element that they struggle to address (refer to P2 and B3).

'Some of the perceptions that the suppliers have around SV are we don't have money; we can't afford to give this, we can't afford to get . . .' [P2]

'A lot of companies, I think, see it, as you know, you're making us do things, you know, that it's more than what we're expected to do. Or it's going to affect our profit budget. And it's not.' [B3]

The findings of perception illuminate a pivotal challenge: the subjectivity inherent in interpreting SV. This subjectivity, rooted in personal perceptions, introduces a complexity beyond formal definitions or guidelines. One way this complexity is evident is despite having SV guides, the level of significance placed on SV is still an identifiable challenge (B2 below).

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'The council has an SV policy; it looks really nice. You think, "Oh, wow, this looks really good. Clearly, these guys are really on it. They know what they're doing." That's what I thought when I first started, but it has not, and I have now concluded firmly that it hasn't been used once since it was written.' [B2]

Considering the information gathered, this research posits that the differing lenses through which officials viewed SV shaped their prioritisation, evaluation, and implementation of SV in the procurement process. Therefore, as part of an effort to enhance understanding of the concept, it is crucial to capture the lens through which procurement officials see SV.

Approach to SV: The analysis also uncovered that public organisations adopted diverse approaches when procuring SV. There are varying ways in which the buying organisations engage in the procurement of SV. Certain participants view SV as a means to fulfil the council's manifesto, seeing it as a crucial tool for delivering specific promises made to the community. Approaches when procuring SV:

'There are eight or nine key priorities that the council looks at when considering SV. These are themed around the entire community. Those key priorities are normally manifesto commitments. The manifesto often gets translated into the corporate strategy for the next four years or more, depending on . . . Then, that corporate strategy informs the SV themes.' [B8]

Others engage in the concept of delivering social benefits that are not necessarily tied to the council's manifesto.

'What we need to target in terms of SV will differ in X from what it would in XX, and that's key for when you're dispersing the SV activities in the correct place. So, it creates the right impact in the right place.' [B5]

Drawing from the above outline connection between the participants' perception of SV and its influence on how they prioritise, assess and apply SV in the procurement process, this study proposes that the buying organisation's perception of SV influences its strategy for implementing SV through procurement. For

instance, an organisation viewing SV merely as a checkbox will likely approach its delivery differently than one recognising SV as a significant means of providing meaningful community benefits.

5.2.3   Defining Social Value: A Synthesis of Academic and Case Interpretations

The sections and sub-sections dedicated to analysed data relevant to answering RQ1 (What is the real-world interpretation of SV, and how does it align with academic definitions?) have discussed the findings about how the public procurement officials defined/interpreted SV and how their definitions compare with scholarly definitions.   The study elucidates the complexity of defining SV, emphasising the diverse interpretations of 'local' and the varied perceptions and approaches to SV. The study now suggests a definition rooted in empirical and conceptual findings from relevant data. This is not an attempt to compound the multiple SV definitions but an effort to clarify the concept and contribute to the discourse in literature. To do so, the word clouds for definitions from scholars and the local councils are presented in Figure 5.1 and Figure 5.2 respectively, supported by tables suggesting the same to guide the reader better.

Figure 5.1 Word cloud query result of SV interpretations from Academic sources

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Figure 5.2 Word cloud query result of SV interpretations from case data

Case data   Academic sources

No.	Word		Word
1.	Benefits		Social
2.	Social		Community
3.	Community		Benefits
4.	Value		Individual
5.	Local		Value
6.	Contract		Creating
7.	Economic		Resources
8.	Environmental		Change
9.	Services		Exchange
10.	Additional		Wider

Figures 5.1 and 5.2 and the tables presented illustrate a variety of words used to define SV sourced from academic literature and the SV policies of the case participants. Among these terms, specific keywords appeared more frequently than others, as detailed in Chapter 4. Due to constraints in space and practicality, the researcher can only incorporate some identified words into a single definition. However, noteworthy terms such as 'social benefits,' 'community,' 'local,' 'value,' 'environmental,' and 'economic' consistently ranked among the top 10 in frequency (see Chapter 4). Building upon insights derived from data analysis and literature review, the research proposes a definition that:

'SV refers to extra benefits generated through social, environmental, and economic enhancements resulting from the services provided to the local community, which includes people who live within the same geographical location, share social connections, and/or share a form of identity.' (Author's own definition)

In case one wonders about the advantage or benefit that this definition offers, this definition does the following:

1. The definition integrates academic and empirical perspectives of SV, incorporating essential terms from both data sources. As a result, it offers a perspective that encompasses both viewpoints.

2. It adopts a community-centric approach, which is logical considering that SV is directed towards the local community.

3. The definition provides clear insight into interpreting 'local' or 'local community,' allowing procurement practitioners to choose an interpretation or a combination that best aligns with the SV objectives. This resolution tackles the ambiguity surrounding the interpretation of 'local' within the SV context, a factor highlighted by data that impacts SV delivery.

4. It also captured forms of benefits that could be created (social, economic, and environmental). This aligns with empirical and conceptual definitions and the UK SV Act (2012). The definition further clarifies that these benefits are additional. In other words, they should differ from the leading service being procured. Aligning with the definition provided by Harlock (2014) and Opoku and Guthrie (2018).

5. By incorporating 'enhancement', the definition implies that a change must occur (social, environmental, or economic change) due to the additional benefit created to the local community.

One may argue that this definition does not include public procurement; the author intentionally excluded procurement because of the understanding that SV and social procurement are not the same and suggests that they can be used in academic works but not interchangeably, as such, contributes to the definitional confusion (Dayson, 2017; Jain *et al.*, 2019). As previously discussed (see literature review in Chapter 2), social procurement is the delivery of SV through procurement. Therefore, the researcher posits that SV merits its definition before being linked to procurement. The purpose of the proposed definition is to contribute to understanding the SV concept and not to restrict its application.

As much as having a clear definition is essential to SV delivery, it is even more critical to understand the key elements that constitute this understanding as they impact how and where SV is delivered, as the data presented suggest. Hence, the researcher recommends that public organisations (everyone involved in SV procurement) must be clear on what local means to them and communicate it to their suppliers and procurement team to ensure proper guidance on the focus area for SV delivery.

5.3   RQ2 How is SV procured and embedded in the procurement process?

The research investigated how the local council procures SV, focusing on SV need identification and inclusion in the procurement process. The analysis presents the themes that emerged in response to this query.

5.3.1   Approach to SV Needs Identification

Since the focus of SV procurement and delivery revolves around SV needs, the researcher explored the process of identifying these needs, revealing two main methods: prescriptive and collaborative approaches, as categorised in Chapter 4. Prescriptive methods, observed in some councils, entail using standardised TOMs from the central authorities for prescribing the SV options to be delivered by the suppliers. However, the TOMs being standardised may not accurately capture local needs at the time of the procurement. Conversely, collaborative approaches involve community engagement in identifying SV needs, recorded in council-specific TOMs. This method allows for flexibility, enabling adjustments to the SV offerings to align with actual local needs during procurement. The data from the councils' SV policy supported the findings that the councils have different approaches to choosing the ideal SV to deliver (prescriptive or collaborative). However, the analysed case data (interviews and SV policy) suggest that the majority uses the standard TOMs, suggesting that more councils use the prescriptive approach. The study further revealed a spectrum in community involvement across councils, indicating varying extents of engagement in identifying SV needs. This contrast between prescriptive and collaborative methods highlights a critical distinction in SV identification. While standardised TOMs offer consistency, they risk overlooking critical local requirements.

Conversely, community involvement ensures adaptability, although the resource concern may hinder its execution. Hence, allowing community engagement, as depicted in the conceptual framework (Figure 2.9) would be critical for identifying meaningful SV priorities. Nonetheless, this research asserts the necessity of a reasonable degree of flexibility in SV delivery for it to be truly impactful. It concurs that flexibility holds significance in delivering community benefits. This is underscored by its potential to create tensions between the purchasing organisation and suppliers (Wontner *et al.*, 2020) and its constraints in meeting genuine local needs, as indicated in this study.

5.3.2   Embedding SV in the Procurement Process

The study highlights a stronger emphasis on integrating SV at the start of procurement. Examination of evaluation and monitoring data highlighted the use of diverse tools, predominantly TOMs, with variations in their derivation based on the approach to identifying SV needs. Differences existed in the measurement tools and their origins and in the frequencies of SV monitoring and evaluation across councils. Analysis of SV policies confirmed diverse approaches in TOMs design, indicating their role within the SV framework to outline SV priorities (in the form of KPIs), guide providers, and measure SV activities. However, these policies showcased a more advanced evaluation and monitoring approach compared to practical experiences reported in the interviews, suggesting a discrepancy between policy and real-world application. See BSVP2 and BSVP9 compared to B1 and B7.

> *'SV is embedded throughout the process, being considered from the preliminary commissioning strategy stage all the way until the final outcome review stage.' [BSVP2]*

> *'There is a monitoring tool for commissioners and contract managers to use to enable a complete picture of SV outputs to be recorded [. . .] which will be used to create an impact assessment demonstrating who benefited and where those benefits were delivered and of SV in our communities. Commissioners and contract managers are responsible for ensuring all outcomes are reported by contractors/providers quarterly using the council's reporting tool, with data reported to all Departmental Management Teams. As part of the implementation of this policy, procurement will work with legal to seek to ensure that all council contracts have appropriate*

contractual mechanisms to enforce the delivery of the agreed SV KPIs. The monitoring of SV delivery forms part of the council's contract management framework and enables non-delivery to be identified and rectified.' [BSVP9]

'For some contracts, we occasionally get to the end of the contract, and they haven't delivered their SV commitments. And that's when we need to start sort of the negotiation of the timeframe because, obviously, we don't want to sign anything off until, like, that's been delivered. If you've got to the end of a 10-year contract and haven't noticed they haven't done their SV, then that's really bad contract management.' [B1]

'We don't have the systems in place that would enable us to track and have oversight of those KPIs and what's been delivered and what's not been delivered because contract management is done at a local level.' [B7]

Furthermore, SV policy data supported the capture of SV at the pre-procurement phase, but indications suggested a discrepancy between stated and actual integration within the councils' procurement processes. Some council policies indicated a broader capture of SV across multiple stages beyond pre-procurement, often using the standard procurement toolkit to illustrate all stages where SV would be considered. However, interviews revealed a predominant focus on SV, specifically during the pre-procurement phase, contrasting with the broader integration outlined in the policies.

Additionally, the researcher discovered that embedding SV within contract procurement necessitates the procurement project meeting a specific threshold and weighting. While this 'spend threshold' seemed to vary among participating councils, the identified minimum threshold in practice was £50,000. Comparing these with data from the SV policy revealed an inconsistency between the documented procurement value threshold and SV weighting, compared to the responses in practice on the spend threshold. Nonetheless, the consequences of these thresholds are that any project below the specified monetary value would not encompass SV considerations. Another issue arising from the threshold and SV weighting involves misalignment between the council's SV expectations from the supplier and the actual value allocated for

SV delivery. This discrepancy seems to be one of the challenges that affect the supplier's delivery of SV, exacerbated by time constraints.

> *'I would say that some councils don't understand. They use a user blanket approach, which is not good for construction because some of those targets are beyond what is actually realistic to achieve. What we were told to do was to write an SV plan that achieved a certain percentage of the contract value, which was normally between 10% and 15%. And that made it really difficult because some projects, because of the timeframes, because of things that were going on – you just couldn't hit that percentage.' [P4]*

> *'Some of what the councils want, which could be what they're asking for, there's no relevance to the value of the contract. So, some people don't have any idea what they're asking for. The value of the job and the longevity. So, they may say to you, "We would like you to take an apprentice on . . ." You can't take an apprentice who wants to be an electrical apprentice for four years when the work they give you is only twelve months.' [P6]*

5.3.2.1   *Applying the DOI Theory to the Integration of SV in the Procurement Process*

As outlined in the introduction and theoretical framework section, this research set out to use the DOI as one of the theoretical lenses to understand the phenomena being studied (please refer to the review of DOI theory in Chapter 2). Applying the DOI theory to the integration of SV within procurement processes reveals intriguing insights, which the following subsections discuss.

Innovation-decision Process

Before delving into the discussion, it is crucial to restate that during the discussion of the DOI theory in the literature review chapter, SV was conceptualised as an innovation (see p. 50) for the following reasons: (1) the adoption of the SV concept is relatively new to public procurement officers; (2) the SV requirement fits into the meaning of innovation as explained (see p. 1); and (3) due to the newness and lack of clarity of SV delivery through procurement, the involved parties need to think of innovative ways to successfully embed SV in the procurement process amid budget constraints, to deliver meaningful SV delivery through

procurement successfully. The innovation-decision process itself is part of the time element of the DOI theory. It is a mental process through which an individual or decision-making unit moves from knowing the innovation to accepting or rejecting it and then confirming the decision. The emphasis on SV primarily during the initiation phase aligns with the theory's concept of the innovation-decision process. In this context, SV adoption represents an innovation, with its highest attention observed at the beginning of the procurement process, akin to the 'innovation stage' in the theory. This initial emphasis indicates that SV is perceived as a novel concept within procurement practices. As the innovation-decision process could result in acceptance or rejection of the innovation, we could see in the data that not all members of the buying organisation and the suppliers have fully embraced the SV concept despite it being a policy and the councils having an SV policy statement.

> *'The council has an SV policy; it looks really nice. You think, "Oh, wow, this looks really good. Clearly, these guys are really on it. They know what they're doing." That's what I thought when I first started, but it has not, and I have now concluded firmly that it hasn't been used once since it was written.' [B2]*

> *'Some suppliers know they are good at delivering the contract requirements but don't care about SV. I mean, I assume that's the case. They've often been told about SV as this is an issue; please get on with it, but they don't. So, I assume it's deliberate on their part. As a council, we are not taking SV seriously. I get pushbacks saying we don't want to do SV despite it being a policy, and we're not allowed to decide on policies.' [B6]*

It is also important to highlight the researcher's notion that due to the nature of the SV requirement, it is not expected that the buying organisations will outrightly and openly reject the innovation; rather, the nature of its integration suggests a degree of acceptance, which is demonstrated at the early stages of the procurement process.

Rate of Adoption

This element of the time dimension in diffusion in process refers to how fast members of a social system adopt an innovation. It posits that at the early stage, only a few people adopt the innovation at a given time.

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Still, as time passes, more individuals adopt the innovation each succeeding time until diffusion is completed (Rogers, 1983b). This is reflected in the council's adoption of SV; out of the 34 councils, only 15 had an SV policy at the time of data collection for this research. The researcher considers this as progress because, according to Burke and King's (2015) evaluation of England's local authorities, fewer than 10% of local authorities in England had a specific SV policy or toolkit. Consequently, the authors highlighted this finding as a worrying indication that SV might not be adequately prioritised in commissioning and procurement decision-making across England. Nonetheless, the rate of adoption found in this research suggests that public procurement may still be at the early adoption phase because even the numbers that have SV policies do not seem to have fully embedded SV in the procurement process, except for the initial stage, where data suggest the most attention is given to SV.

Complexity

The utilisation of diverse tools, notably TOMs, also parallels the DOI theory's emphasis on the attributes of innovation that influence its adoption rate. Having TOMs is one of the first steps to clarity, as it provides details of what SV needs to be pursued and the outcomes for which the needs would be measured. However, the discovered discrepancy, considered an issue by this research, is the derivation of the SV needs. As highlighted by this study and supported by reviewed literature, an impactful SV should involve the community, at least engaging them in identifying the real needs of the local community rather than using standard themes (needs) which may or may not be relevant to the local community at the time of the procurement. The variations in TOMs' derivation, reflecting different approaches in identifying SV needs, illustrate the complexity and adaptability of the innovation. This aligns with the DOI theory's notion that an innovation's perceived complexity and compatibility with existing practices influence its diffusion (Rogers, 2002). As the data indicate, both buying organisations and suppliers are hesitant to engage in SV delivery due to the perceived complexity and the need for additional resources that might not be readily available. According to the theory, such perceptions impact the diffusion of innovation (Ibid), thereby affecting the successful integration of SV into the procurement process.

Relative Advantage

The relative advantage of an innovation has to do with the perceived benefits an individual associates with the innovation (Rogers, 2002). Having evaluated the data and related literature, the researcher posits that there are two sides to the perceived advantage of SV. On one hand, and by SV definitions, there are perceived additional benefits such as social, economic, and environmental (Cartigny and Lord, 2017; The UK Government, Department for Digital Culture, 2012; Wright, 2015) and the legitimacy of providing SV (Barraket and Loosemore, 2018; Islam, 2017). On the other hand, SV benefits are debated since there is an underlying perception that they would result in additional costs and resources, as indicated by interview responses from both buying organisations and suppliers. The DOI theory posits that innovations perceived as offering more significant advantages, whether in terms of efficiency, cost-effectiveness, or overall benefits, tend to be adopted more readily (E. Rogers, 2002; E. M. Rogers, 1983). Building on this theory and acknowledging the identified difference in perceived SV advantage, this research suggests that the individual procurement actors must grasp and endorse its benefits to promote the spread of SV. This is because an individual's perception of innovation's advantage matters more than the sheer objective advantage of the innovation (Rogers, 2002).

The 'spend' threshold is another dimension identified in the data that could be associated with relative advantage. Projects meeting the minimum threshold of £50,000 are more likely to incorporate SV, indicating a perceived advantage or benefit of integrating SV into larger procurement endeavours. This nonetheless limits SV limits delivery through SV of the lower threshold, thus suggesting that SV adoption is contingent upon the perceived benefits and investment considerations consistent with the theory's principles.

Observability

Another identified factor affecting the integration of SV in the procurement process is the rate of SV monitoring throughout the project delivery. The discrepancies in SV monitoring frequencies across councils highlight the DOI theory's idea of the innovation's adoption rate among different groups. The varying frequencies might signify the differences in the councils' readiness and willingness to integrate SV within procurement fully. As the data suggested, there are instances where procured SV is rarely monitored until

the last minute, thus resulting in non-delivery and if at all delivered, the quality of the outcome is likely to be affected.

> *'For some contracts, we occasionally get to the end of the contract, and they haven't delivered their SV commitments. And that's when we need to start negotiating the timeframe because, obviously, we don't want to sign anything off until, like, that's been delivered. If you've got to the end of a ten-year contract and haven't noticed they haven't done their SV, then that's really bad contract management.' [B1]*

> *'We do acknowledge that we need to continue our improvement around the management of the delivery of it and the consequences of non-delivery. I think the local government has become quite good at the incorporation of SV into our procurement process, i.e., the tendering process. We haven't quite reached perfection when it comes to working out the delivery.' [B3b]*

Based on the evidence provided in this research regarding SV management and monitoring its delivery, this research suggests that the longer it takes before an evaluation occurs, the higher the likelihood of reaching the project's conclusion and discovering that SV has not been fulfilled, indicating inadequate contract management. Hence, time, specifically for monitoring purposes, is considered a critical aspect in ensuring effective SV management. Frequent monitoring can swiftly identify instances where SV delivery is affected. It could also aid SV adoption because observability – the degree to which the results of an innovation are visible to others, not only stimulates discussion of new ideas but also promotes SV adoption; 'the easier it is for individuals to see the results of an innovation, the more likely they are to adopt' (E. M. Rogers, 1983, p. 16).

Overall, the research findings for RQ2 point out the dynamic nature of SV adoption within procurement, aligning with the stages and factors outlined in the DOI theory. The varying emphasis, tool utilisation, monitoring frequencies, perceived advantages or lack of, and spending thresholds collectively contribute to understanding SV's adoption as an innovative concept within procurement practices.

5.4 Discussion of RQ2.1 – How easy or difficult is it to contract for SV delivery through procurement?

The research question aimed to investigate the ease or difficulty public procurement officials encounter while integrating SV into procurement contracts following its policy implementation. Interviews indicated that including SV in contracts is straightforward; however, actual delivery poses challenges despite being a contractual component. The study highlighted six primary hurdles to SV delivery faced by both the buying organisation and suppliers, which include the following:

1. Contractual challenges – applied theory: TCE
2. Extent of SV knowledge – applied theory: DOI
3. Level of significance placed on SV – applied theory: DOI
4. Misalignment of SV n and as the length and value of a contract – applied theory: TCE and DOI
5. Supplier's failure to deliver – applied theory: TCE
6. Management of SV delivery – applied theory: TCE and DOI

The following section discusses these challenges in relation to existing literature and the study's context. Given the nature of each issue highlighted, the DOI and TCE will be applied as appropriate to understand the phenomenon.

5.4.1 Contractual Challenges

The earlier reviewed literature in the contracts and procurement section of this thesis proposes that contracts and their management serve as tools for overseeing relationships, networks, and collaborations. Thus, it plays a crucial role in ensuring that the agreed-upon activities and provisions essential for value creation are effectively fulfilled (Malacina *et al.*, 2022). Literature also posits that contracts play a safeguarding role by allowing actors to protect against hazards of opportunistic behaviours (Ring and Van De Ven, 1992; Williamson, 1979). The literature also suggests that contracts serve a protective function, enabling actors to guard against the risks associated with opportunistic behaviours (Ring and Van De Ven, 1992; Williamson, 1979). These influenced the researcher's initial assumption that if the buying organisations

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and the suppliers agree upon SV, then the suppliers should endeavour to deliver as agreed. However, the interview findings indicated that the inclusion of SV in a procurement contract does not guarantee its fulfilment despite the contractual expectation of binding agreements.

'So, the incorporation of SV terms within the terms and conditions of the contract is straightforward. And you know, we've worked with our legal team to ensure that suppliers in plain English understand that they've given us an offer, which has been accepted, and they've got to deliver it. So, the offer that the bid returned becomes an appendix in the contract, so it becomes part of the contract documentation. So, there's a legal requirement, of course, to deliver that, and the incorporation of the legal terminology within the contract has been written, and it's pretty straightforward.' [B3]

'It's not difficult to include them (SV), but it's difficult to get them delivered. It is probably the hardest part of it.' [B7]

'It's an easy thing to do. Doing it well is a bit more difficult. But I think, if you just simply want to ask for SV when you're tendering for a contract, you can include it in your method statement.' [B8]

Additionally, it appears that councils lack comprehensive policy support to compel providers to fulfil their obligations as outlined in SV agreements.

'I think it's really something that different councils are really in a different place because, at the moment, local authorities aren't mandated to evaluate it. It's just whether our particular local authority has put some weight behind it for us or not. So that's a challenge.' [B1]

'If we're putting their [suppliers'] commitment in the contract, then you know there's a contractual obligation, but still, we haven't got any penalties; we're not advanced at the stage where we have any penalties in the contract if they don't deliver it [SV].' [B9]

The identified contractual challenges in delivering SV through procurement resonate with transaction cost economics (TCE) principles. TCE posits that individuals and organisations are boundedly rational and face transaction costs associated with entering into and executing contractual agreements (Rindfleisch and Heide, 1997; Roeck *et al.*, 2020; Williamson, 1985). Applying the concept of bounded rationality from TCE to the given research findings involves understanding how limited rationality influences contractual challenges in delivering SV through procurement.

In the context of bounded rationality, individuals or organisations may not have the cognitive capacity to process all information and make perfectly rational decisions. According to Grover and Malhotra (2003), such limitations by natural occurrences on humans, even when unintended, can unfortunately hinder the extent of rational behaviour. In the context of this study, suppliers failing to deliver SV as agreed reflects the bounded rationality of suppliers within the procurement process. Suppliers may encounter unforeseen challenges, resource constraints, or information asymmetry that limits their ability to fulfil SV commitments. Some of these challenges also constitute the findings of this research (see findings and discussion section of RQ2.1), which align with the previously discussed TCE's premise that parties involved in transactions are not perfectly rational and may be constrained in their decision-making due to limited information or cognitive capacity. Some authors argue that issues like the inherent rationality of humans and the challenges in foreseeing future events lead to incomplete contracts, impacting both the exchange relationship and the ability to achieve the goal (MacNeil, 1980; van den Hurk, 2016; Williamson, 1985).

On the side of the buying organisations, the findings suggest that the government SV policy, serving as the governing framework for SV transactions, needs more mechanisms or provisions for effective enforcement.

> *'The public procurement regulations say that we're not allowed to consider past performance when awarding a new contract. There was a case where a supplier won a contract but did not deliver any SV as agreed. They bid for another of our contracts and came out at the top of our evaluation. But we know they're not going to deliver the SV, but we're not allowed to consider it (past performance). So, the public procurement regulations completely contradict the SV obligations we have about enforcing SV.' [B6]*

This deficiency in the policy framework constitutes a governance failure, introducing uncertainty and making it challenging for buying organisations to ensure compliance with SV commitments. This issue may also result in transactional inefficiencies and costs, given that TCE asserts that economic transactions involve both ex-ante costs, such as drafting, negotiating, and safeguarding potentially complex contracts between parties (Ketokivi and Mahoney, 2020), and ex-post costs arise when contract execution faces misalignment due to gaps, errors, omissions, and unforeseen disruptions (Williamson, 1996b, p. 379).

As suggested in the TCE literature (refer to section 2.6.1), the absence of precise enforcement mechanisms creates an environment characterised by SV delivery failure and, consequently, high transaction costs. The uncertainties surrounding SV delivery through procurement also increase the complexity of contracting, as parties need strong measures to enforce their delivery to ensure SV priorities. As a result, the contractual challenges identified in the research findings can be attributed to the inherent transaction costs associated with bounded rationality, information asymmetry, and governance failures within the procurement process. To enhance the effectiveness of SV delivery, policymakers may need to address these transaction costs by refining the SV policy, providing more explicit enforcement mechanisms, and minimising uncertainties in the contracting process.

5.4.2   Extent of SV Knowledge

Although SV has been introduced in the UK public procurement (see p.37), the research findings revealed a substantial gap in the understanding of the concept among procurement actors, impacting the commitment levels and diminishing the quality of SV delivery. The providers appear to face dual challenges: a lack of SV knowledge and coping with varied levels of SV understanding among members of the councils and providers. Thus, it adds complexity, hindering effective SV implementation.

> *'I think there are several challenges. Firstly, I think councils don't always understand what SV is. Some councils are really far down the line. They really understand SV and how it's recorded. And they've lined it with their own strategies. And they're brilliant, and that really works. Other councils don't have an arm as far down that road with this, and their understanding is very different. So, what we consider to be SV will not align with theirs. The counsellors out there who*

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have no clue about SV, and they make it very difficult because their understanding is not where it should be.' [P4]

'We are asked to make promises of what we are looking to offer without being given a lot of guidance.' [P6]

This challenge suggests that while SV is recognised, a shared and comprehensive understanding is lacking, impacting commitment and delivery quality.

When analysed through the lens of the DOI theory, these research findings reveal intriguing insights into the adoption and understanding of SV in procurement processes. While SV is not a novel concept, the data suggest a slow diffusion of this innovation within the procurement process resulting from the procurement actors' levels of SV understanding. According to the DOI theory, time plays a critical role in influencing the spread of new ideas. An aspect of this is evident in the categories of innovativeness and adopters, as elucidated by Rogers (1983; 1995). Rogers employed these components to elucidate the extent to which individuals embrace new ideas, delineating stages that include innovators, early adopters, early majority, late majority, and laggards. The lack of a comprehensive grasp of SV among buying organisations and providers indicates that these actors are in the early stages of adoption. This slow diffusion can be attributed to factors such as inadequate communication, insufficient training, or a lack of perceived relative advantage in adopting SV practices.

From the providers' standpoint reflected in responses from participants P4 and P6 (see p.182), challenges extend beyond mere lack of SV knowledge. Divergent knowledge of the SV concept between council members and providers creates a misalignment in understanding, a common challenge during the early stages of diffusion. Interventions inspired by the DOI theory could address these challenges by including targeted training programs, communication strategies emphasising the benefits of SV adoption, and collaborative initiatives to align interpretations. These interventions aim to move procurement actors from the early stages towards a more widespread understanding and acceptance of the SV concept. As diffusion progresses, a shared sense of SV can enhance commitment levels and improve the quality of SV delivery,

aligning with the theory's emphasis on the importance of effective communication and shared comprehension in the innovation adoption process (E. Rogers, 1983, 1995, 2002).

5.4.3   Level of Significance Placed on SV

The research findings highlighted a concerning disparity in the perceived importance of SV within the procurement process. The data suggest that SV is often perceived as a discretionary element by buying organisations rather than an integral aspect of the council's well-designed policy. This discrepancy raises questions about the practical implementation of SV practices and their alignment with stated SV policies.

> *'The council sees SV as a bit of a nice to have. Okay, that's been the kind of perception. Every time I spent doing it, it was, oh, yeah. Okay, we need to do it, but I'm not really fussed about what the response back is. It is kind of a tick box.' [B2]*

The study also highlights a dual challenge involving both buying organisations and providers. While some buying organisations treat SV as a mere 'nice to have,' potentially undermining its significance in procurement practices, suppliers, on the other hand, exhibit a reluctance to fully engage in SV delivery, leaving commitments unattended when not closely monitored by the council.

> *'If the commissioners and the suppliers have forgotten about the SV, sometimes it could delay that completion.' [B1]*

> *'The council has an SV policy; it looks really nice. You think, "Oh, wow, this looks really good. Clearly, these guys are really on it. They know what they're doing." That's what I thought when I first started, but it has not, and I have now concluded firmly that it hasn't been used once since it was written.' [B2]*

Participants' responses further emphasised that the council's perceived seriousness about SV significantly influences supplier behaviour. Suppliers are less likely to deliver on commitments when SV is relegated to a mere checkbox exercise.

Applying the DOI theory to the research findings reveals a dynamic process influencing the adoption and integration of SV practices within procurement. According to the DOI theory, innovations, in this case, the emphasis on SV in procurement, undergo stages of adoption that can be classified as innovators, early adopters, early majority, late majority, and laggards (Rogers, 1983a, 2002). In the study context, buying organisations that perceive SV as a discretionary element rather than an integral policy component can be seen as lagging in the adoption curve. On the other hand, buying organisations that recognise and treat SV as integral to their well-designed policy can be considered early adopters, leading the way in incorporating this innovation into their procurement practices.

The dual challenge identified in the study, involving both buying organisations and providers, aligns with the notion of the diffusion process. Buying organisations acting as laggards may struggle to influence providers to engage fully in SV delivery. Providers, in turn, exhibit reluctance, representing a barrier akin to resistance observed in the diffusion theory. The findings also underscore the role of perceived seriousness by the council in influencing supplier behaviour. This aligns with the diffusion theory's emphasis on the importance of communication channels and the role of influential entities in fostering adoption (Rogers, 1983a). When the council demonstrates a genuine commitment to SV, it can inspire suppliers to transition from reluctance to active engagement in SV delivery. This can also motivate other councils to increase their adoption rates, as potential adopters often seek guidance and insights from early adopters of the innovation.

Applying the DOI theory to these findings has highlighted the varying stages of adoption and the challenges associated with integrating SV into procurement practices. Recognising these dynamics can inform strategies to accelerate the diffusion process and enhance the effectiveness of SV implementation across the procurement landscape, some of which will be further presented in the recommendation section of this thesis.

5.4.4   Misalignment of SV Need, the Length, and Value of the Contract

The research findings highlight challenges in aligning procurement contracts' duration and monetary value with specified SV needs. Procurement actors, mostly the suppliers, struggle to reconcile unrealistic SV demands from buying organisations with the resources available for SV delivery and the contract's scope.

'I would say that some councils don't understand. They use a user blanket approach, which is not good for construction because some of those targets are beyond what is actually realistic to achieve. What we were told to do was to write an SV plan that achieved a certain percentage of the contract value, which was normally between 10% and 15%. And that made it really difficult because some projects, because of the timeframes, because of things that were going on – you just couldn't hit that percentage.' [P4]

'Some of what the councils want, which could be what they're asking for, there's no relevance to the value of the contract. So, some people don't have any idea what they're asking for. The value of the job and the longevity. So, they may say to you, "We would like you to take an apprentice on . . ." You can't take an apprentice who wants to be an electrical apprentice for four years when the work they give you is only twelve months.' [P6]

On the other hand, the councils face a challenge whereby the suppliers may submit impractical tender offers during the bidding stage to secure bids, further complicating the process.

'After a few tenders, we soon realised that people are actually winning on SV. Yeah. With very unrealistic offers that they'll never be able to achieve.' [B3a]

Looking at these challenges from the lens of TCE theory, the reviewed literature (refer to the theoretical framework p. 40) noted the role of underlying assumptions such as bounded rationality, opportunism, and transaction attributes such as asset specificity and uncertainty in influencing the behaviours (Meinlschmidt *et al.*, 2018; Rindfleisch and Heide, 1997; Williamson, 1985) such as that of procurement actors as in this study. Asset specificity refers to the extent to which assets are dedicated to a specific transaction (Grover and Malhotra, 2003; Roeck *et al.*, 2020). In SV delivery, the unique nature of SV projects may increase asset specificity. On the other hand, uncertainty arises from the complexity and unpredictability of SV needs and delivery, leading to challenges in contract design and enforcement. Bounded rationality acknowledges the cognitive limitations of decision-makers, which may lead to suboptimal choices (Rindfleisch and Heide, 1997; Roeck *et al.*, 2020) in contract design and negotiation.

In these research findings, the struggle to align contract duration and monetary value with SV needs can be ascribed to these transaction attributes. Unrealistic SV demands from buying organisations may stem from bounded rationality, where decision-makers overestimate the feasibility of achieving certain SV outcomes within the constraints of the contract period. On the side of the suppliers, submitting impractical tender offers may result from uncertainty regarding the costs and complexities associated with SV delivery, leading them to underbid in an attempt to secure contracts. This could also stem from opportunistic behaviour if the more attractive the SV statement is, the more likely (in the instance that other factors are acceptable) it is for the supplier to win the bid. Furthermore, the mismatch in selecting SV projects may reflect asset specificity issues, where SV projects proposed by providers may not adequately address the community's specific needs. These challenges will further slow down the adoption rate of SV, therefore highlighting the importance of considering transaction attributes in designing procurement contracts and governance mechanisms to mitigate transaction costs and ensure effective SV delivery.

5.4.5   Supplier's Failure to Deliver

The fourth challenge identified in this research is suppliers' failure to deliver on SV commitments. Despite agreements between buying organisations and suppliers, suppliers often fall short on SV delivery. Buying organisations encounter difficulties in compelling providers to fulfil their obligations.

Applying the TCE theory to the context of SV delivery in procurement contracts, precisely the issue being discussed, this study suggests that failure to deliver on SV commitments may be attributed to transaction costs associated with asset specificity and uncertainty in addition to the misalignment issue discussed. If the unique requirements of each SV project are not reasonably accounted for, suppliers are bound to face difficulties in delivering SV, thus leading to increased transaction costs. Additionally, uncertainty surrounding the costs and complexities of SV delivery may result in suppliers underestimating their capabilities or overcommitting to meet contractual obligations, further exacerbating transaction costs.

Also, the challenges buying organisations face in compelling suppliers to fulfil SV commitments highlight the limitations of contract enforcement mechanisms and the bounded rationality of procurement actors. Despite the expectation that contractual agreements would be binding (as reviewed literature suggests), the

reality depicted in the data suggests otherwise, emphasising the need for more effective governance mechanisms to ensure SV obligations are adhered to. Additionally, this challenge indicates the importance of exploring the underlying reasons for suppliers' failure to deliver on SV commitments and identifying strategies to address these challenges to enhance the effectiveness of SV implementation in procurement practices.

5.4.6   Management of SV Delivery

The research findings reveal several challenges in managing SV delivery in procurement. One primary issue identified is the need for continuous monitoring of SV commitments throughout the duration of procurement contracts. This gap in oversight becomes apparent when SV deliverables are only assessed at the end of the contract term, leading to negotiation delays and poor contract management practices.

> *'For some contracts, we occasionally get to the end of the contract, and they haven't delivered their SV commitments. And that's when we need to start sort of the negotiation of the timeframe because, obviously, we don't want to sign anything off until, like, that's been delivered. If you've got to the end of a ten-year contract and haven't noticed they haven't done their SV, then that's really bad contract management.' [B1]*

This delay in SV monitoring highlights a broader trend of SV being undervalued and under-prioritised throughout the procurement phases, as discussed (see the level of significance challenge) and acknowledged by procurement professionals.

> *'We do acknowledge that we need to continue our improvement around the management of the delivery of it and the consequences of non-delivery. I think the local government has become quite good at the incorporation of SV into our procurement process, i.e., the tendering process. We haven't quite reached perfection when working out the delivery.' [B3b]*

Additionally, providers highlighted coordination challenges among various departments within the council, indicating a lack of synergy in SV delivery efforts.

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'I think for us, working with local authorities, the biggest challenge is the sort of lack of synergy between departments.' [P3]

This issue may be exacerbated by limited knowledge (also a previously discussed challenge;) or buy-in regarding SV initiatives, leading to disagreements between departments and council members.

'The second challenge is that internal fight between procurement [team] and SV that I just talked about. I don't think that some of the counsellors always have the right people in the right places.' [P4]

The study draws on TCE and DOI theories to gain valuable insights into these challenges. Part of TCE's core benefit is its emphasis on cost inefficiencies, such as those associated with enforcing and monitoring contractual agreements (Ketokivi and Mahoney, 2020; Nanka-Bruce, 2004; Williamson, 1996). According to the theory, incomplete contracts may result in transactional inefficiencies and costs, particularly for this research, when SV delivery is not adequately monitored and enforced. The failure of the councils to monitor SV commitments until the end of the contract term reflects the high ex-post transaction [execution] costs associated with incomplete contracts (Coase, 1937; Williamson, 1996), where parties must negotiate and enforce SV commitments retroactively. This inefficiency can lead to suboptimal outcomes for buyers and suppliers, as contractual obligations are not fully realised, and the intended SV may not be delivered as promised.

Furthermore, the DOI theory offers additional insights into the coordination challenges within council departments and the limited buy-in regarding SV initiatives. As previously discussed in the theoretical framework section of this thesis, DOI theory involves adopting innovation over time, with different adopters categorised as innovators, early adopters, early majority, late majority, and laggards. In the context of SV delivery, coordination challenges among departments may stem from varying levels of adoption and understanding of SV initiatives among council members and suppliers alike. Those who are early adopters or innovators may be more inclined to prioritise SV and advocate for its integration into procurement practices. In contrast, others may be slower to embrace these changes due to concerns such as lack of funds or resources or entirely due to low awareness of the concept.

The interconnectedness of these challenges stresses the importance of comprehensive management strategies that elevate the significance of SV throughout the procurement process. Councils can improve SV delivery and overall procurement outcomes by addressing coordination issues and enhancing awareness and understanding of SV among stakeholders. Adopting TCE principles can also help mitigate transactional inefficiencies and costs associated with incomplete contracts, ensuring more effective SV monitoring and enforcement. By aligning incentives and improving communication channels, councils can create an environment conducive to the successful integration of SV into procurement practices, ultimately leading to more sustainable and socially responsible outcomes.

This section discussed the RQ2, which was designed to understand the difficulties procurement actors face in delivering SV through procurement. Six challenges identified and analysed in the preceding chapter were expanded upon, with the application of transaction cost economics and DOI theory where applicable, to offer theoretical insights into the underlying complexities and potential mitigation strategies. The subsequent section will discuss the final research question, after which the recommendations from this chapter will be presented.

5.5 RQ3 – How do the beginnings and endings of procurement contracts affect the associated SV?

This research question was set to understand the impact of contract beginnings and endings on SV. In other words, the research looked at what happens to SV at the beginning and the end of the procurement it is associated with. Considering that previously discussed data (interview and SV policy statement) already revealed that SV receives the most attention at the beginning of the procurement contract, the analysis and, consequently, this discussion of this RQ will focus on how the endings of procurement contracts affect the associated SV.

5.5.1 SV and Contract Endings

The data analysis conducted for this section revealed that SV ends concurrently with the termination of the procurement contracts to which they are linked. Insight from provider perspectives corroborated this

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finding, affirming that SV activities are typically regarded as project-specific and cease upon contract completion. Despite this prevailing practice, participants believed in the feasibility of SV continuity, notwithstanding acknowledging several impediments, most of which have been discussed in the previous section. TCE and DOI theory have been appropriately applied in discussing the factors that hinder sustainable SV delivery through procurement; in addition, the discontinuity of SV initiatives may lead to higher transaction costs associated with renegotiating contracts or seeking new suppliers for subsequent projects. Also, the impediments acknowledged by participants, such as a lack of resources and knowledge, emphasise the importance of addressing governance challenges (Williamson, 1985) to facilitate SV continuity.

5.6   Chapter Summary

This chapter discussed the analysis of key empirical research findings, drawing insights from existing literature and the theoretical lens of TCE and DOI theory. Significant contributions have been made to answer the research questions. First, through a comparison of empirical and conceptual definitions of SV, the disparity in SV definitions from both sides was identified. Using computer-assisted qualitative data analysis software, it identified terms common between both data sources from which it formulated an SV definition reflecting empirical and conceptual components, thus answering the RQ1 designed to understand the meaning of the SV concept better.

The chapter proceeded to discuss how SV is procured and how it is embedded in the procurement process (RQ2), revealing diverse approaches to identifying SV needs and its procurement and categorising them as prescriptive and collaborative. Applying theoretical underpinnings showcased factors influencing SV adoption, including emphasis, tool utilisation, monitoring frequencies, and spending thresholds, thereby addressing the RQ. Furthermore, the challenges faced by procurement actors in integrating SV into the procurement process were discussed, highlighting six key issues. These challenges, examined through the lens of TCE and DOI theories, offered potential strategies to mitigate them and enhance SV integration, thus addressing RQ2.2.

Finally, the chapter presented the impact of procurement beginnings and endings on SV continuity, drawing on TCE theory to emphasise governance challenges. The findings revealed that although local councils and suppliers recognise the importance of SV adoption, it is often hindered by transaction costs and limited innovation diffusion. Thus demonstrating alignment of this study's conceptual framework (Figure 2.9) in understanding the TCE and DoI factors that impact achieving social outcomes procurement. The discussion of this study's findings underscores the importance of addressing some transaction attributes and governance issues to facilitate the diffusion of SV and its continuity within the procurement process, consequently enabling SV's effective management and delivery through procurement. Hence, this study meets the overarching purpose.

The next chapter will present the conclusion and recommendations from this research, offering implications for theory, policy, and practice. It aims to provide guidance towards embedding SV in the procurement process for effective procurement and delivery.

6 Research Summary, Contributions, and Recommendations

This chapter commences with an overview of the research, including the research questions and aims of the study. These details have been positioned first to remind the reader of what the study is about. It is followed by a summary of the research findings, the contributions that the research makes to theory and practice, and the recommendations made to contribute to the knowledge and practice of SV delivery through procurement.

6.1 Research Overview

Given the increasing interest in SV delivery through procurement, governments worldwide are pushing forward to increase SV commitments. The UK government enacted the Public Services (Social Value) Act (2012) to encourage public authorities to regard economic, social, and environmental well-being in connection with public services contracts and for connected purposes. This became the focus of this research as it aimed to understand how public buyers and other procurement professionals adapt their procurement process to meet the SV policy and deliver effective and sustainable SV outcomes. To gain this understanding and contribute to knowledge in SV and the procurement world, this study designed research questions and aims that it set out to achieve.

Research Questions (RQs)

Main RQ: How can procurement adapt to SV (SV) contracting?

RQ1 What is the real-world interpretation of SV, and how does it align with academic definitions?

RQ2 How is SV procured and embedded in the procurement process?

RQ2.1 How easy or difficult is it to contract for SV delivery through procurement?

RQ3 How do the beginnings and endings of procurement contracts affect the associated SV?

The RQs and the research aims constituted the first part of this thesis, including the rationale for pursuing this study. The research followed Crotty's research process (1998), adapting it to suit the nature of this study. Using a case study, the researcher sought to understand how local councils within London Borough

addressed the key areas explored in this study. Participants were selected using the snowball technique (Parker *et al.*, 2020), following the steps proposed by Saunders et al. (2012). This sampling technique was considered ideal for the study, considering the challenges in recruiting procurement professionals operating at this level and the challenges of reaching those engaged in SV delivery. To answer the RQs, the research utilised data from extant literature on the relevant topics, semi-structured interviews, and data derived from the London Borough Councils' SV policies. The data collected for this research, specifically interview and SV policies, were thematically analysed using NVivo software to pave the way for themes to emerge from the inquiries and unveil the phenomenon being studied. Analyses of the data provided vital findings supporting the attainment of the research aims discussed in the previous chapters. The following section summarises these key findings, demonstrating how the research aims have been achieved and providing recommendations based on insights gained from using theoretical lenses in analysing and discussing the findings.

6.2   Summary of Findings

This section summarises all the key findings already identified and discussed in this thesis.

6.2.1   Elements that Constitute SV Understanding

Data analysis for this question found that to have a deeper understanding of what SV means, some elements also need to be understood.

6.2.1.1   *Meaning of Local*

The study found that the SV actors, primarily the buying organisation, interpret local differently. Their interpretation of 'local' in terms of geographical location impacts where the providers will deliver the SV.

6.2.1.2   *Perception of SV*

Data suggested that as 'local' has different interpretations, the SV actors' perception of SV varies as well, and these perceptions have been found to influence their approach to SV.

6.2.1.3 Approach to SV

The analysis also uncovered various ways in which the buying organisations engage in the procurement of SV. These approaches were found to shape the councils' engagement with SV delivery through procurement, and they mostly influenced how the councils go about identifying SV needs to deliver.

6.2.2 Proposed Social Value Definition

Finally, in the quest to understand the concept and its definition, it was found that in practice, there is a range of ways in which SV has been defined, thus mirroring theoretical findings that there is no consensus on the definition of SV. This study took a step further to compare the case participants' SV definitions with scholarly definitions and discovered that academics in their definitions appear to see SV in terms of community and individual. At the same time, the buyers consider SV in terms of community and local. Using the words common in both sources, this research presented a definition that encapsulates SV understanding from empirical and theoretical standpoints. SV was defined in this thesis as 'those extra benefits generated through social, environmental, and economic enhancements resulting from the services provided to the local community which include people who live within the same geographical location, and/or share social connections, and/or share a form of identity' (Author's own, 2024).

6.2.3 Approach to SV Procurement

6.2.3.1 Approach to SV Needs Identification and Procurement

As SV procurement and delivery are centred on SV needs, the researcher looked into how the SV need is identified and found that there are different ways to address it, which the researcher categorised as prescriptive and collaborative approaches. It was discovered that the approach to identifying SV impacts the approach to SV in general. For example, a council adopting standard TOMs to identify SV to be delivered tilts towards the prescriptive side, while the council engaging the community to derive SV priorities and engaging the suppliers in the SV discourse tend to be more collaborative in their approach. On the issue of SV identification and the relationship between actors, this research adopted a triad perspective to service procurement and assumed that the suppliers engaged with the local community for the purpose of SV procurement. As such, scenario 1 was designed to illustrate the assumed relationship

(see Chapter 2.5.1.2). As data suggested, most councils do not engage the community; thus, based on the data analysed and discussed, this thesis proposed a more collaborative approach where the local community and supplier play a role in the SV delivery, as should in triadic service procurement. To support this proposition, the scenarios have been modified to propose two frameworks depicting the researcher's recommended flow of SV activities between parties.

Scenario 1 reflects a situation whereby, to procure SV, the buying organisation engages the local community to identify actual needs (SV priorities). This list of SV priorities is then used to formulate the TOMs to which the suppliers will submit their execution plans at the tender phase. Finally, the supplier will directly

Figure 6.1 Proposed scenario 1 illustrating the flow of SV activities between the buyer, supplier, and the local community (Authors own 2024).
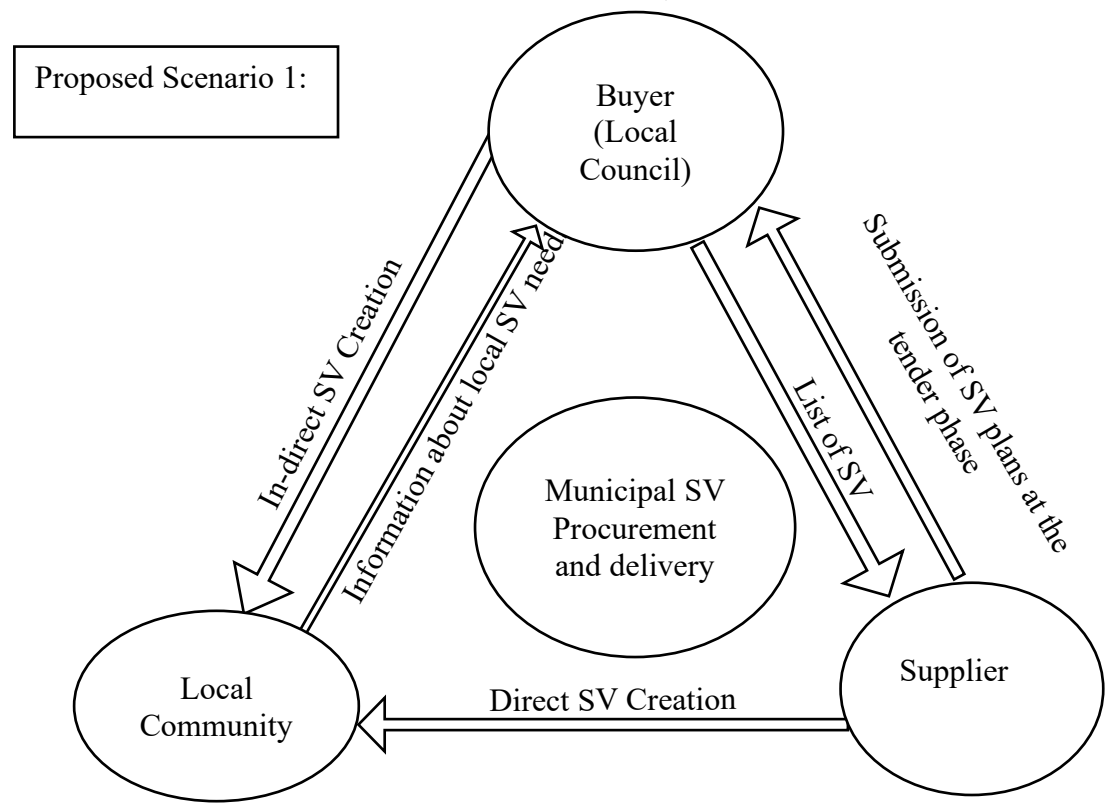
deliver SV to the local community, which consequently results in indirect SV creation from the buying organisation that procures this service delivery.

With Scenario 2, the buying organisation engages with the local community as in Scenario 1 but with

Figure 6.2 Proposed scenario 2 illustrating the flow of SV activities between the buyer, supplier, and the local community (Authors own, 2024)
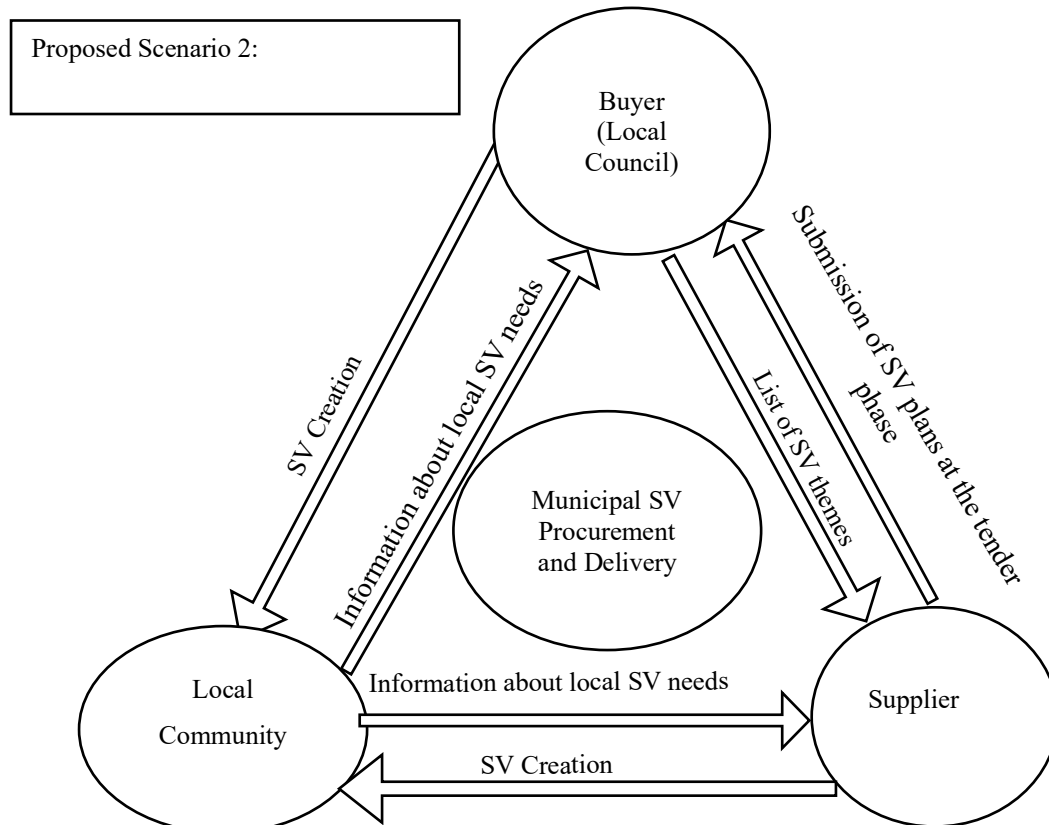
additional activity where the suppliers can also engage the local community to gain more information about local needs. Given that in the service triad (see Chapter 2.5.1.2), exchange takes place between the supplier and the community (buyer's customer). This study posits that to facilitate meaningful exchange, the supplier needs to engage the community. This engagement, on one hand, could be prior to bidding (mostly suitable where the buying organisation offers flexibility to the supplier to propose an SV theme outside of the TOMs). On the other hand, the engagement could be during the service delivery as the suppliers are now the closest to the community and may need to be aware of any changes to SV being provided. It is important to take caution about the degree of flexibility that may impact the contractual agreement and available resources. Nonetheless, as data suggest, a few councils have already demonstrated a reception to accommodate the dynamic SV need.

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Procurement professionals or anyone engaging in SV may choose from either of the frameworks and adapt to real-life circumstances.

6.3   Embedding SV in the Procurement Process

The current study investigated how local councils embed SV in their procurement process. Through interviews and analysis of SV policy statements, it was found that there is a notable emphasis on SV at the beginning of the procurement process, albeit with discrepancies between policy intentions and actual implementation. Furthermore, the study revealed variations in the tools used for evaluation and monitoring, with TOMs being the most commonly employed, derived differently based on the approach to identifying SV needs. Not only do measurement tools vary, but so do the councils' SV monitoring and evaluation frequencies. These findings suggest a link between SV identification approaches and measurement tools, indicating that the councils evaluate SV outcomes using either standard TOMs (based on a prescriptive approach) or council-specific TOMs (based on a collaborative approach). Recognising these connections, the study points out the importance of strategic planning, as the chosen approach influences other aspects of SV procurement.

The study also learned that accounting for SV in procurement projects is contingent upon meeting a specific spend threshold and weighting. While this threshold varies among councils, a typical minimum practice threshold of £50,000 was identified. Discrepancies between documented procurement value thresholds and SV weighting, compared to actual spend thresholds, pose significant challenges to suppliers' SV delivery, compounded by time constraints.

Having explored the practice of embedding SV in the local council's procurement process, the study applied the DOI theory to integrate SV in procurement. Below is a summary of the applied aspects of the theory.

6.3.1   Innovation Decision Process: SV at the Innovation Stage

The study found that the emphasis on SV primarily during the initiation phase mirrors the theory's concept of the innovation-decision process. SV was first conceptualised as innovation in this thesis (see Chapter 3) and, in practice, garners the most attention at the procurement's outset, akin to the 'innovation stage' in the

DOI theory. Despite being a policy and councils having SV policy statements, not all members of the buying organisation and suppliers fully embraced the SV concept, indicating potential acceptance or rejection within the innovation-decision process.

6.3.2   SV Rate of Adoption

Applying the DOI theory's rate of adoption revealed that public procurement may still be in the early adoption phase. This is evidenced by the fact that not all councils have SV policies in place. Even among those councils with SV policies, it seems that SV has not been fully integrated into the procurement process, except for the initial stage, where SV receives the most attention.

6.3.3   Complexity

The use of various tools, particularly TOMs, echoes the DOI theory's focus on how an innovation's attributes influence its adoption rate. Although TOMs have been found to outline SV needs and corresponding measurement outcomes, discrepancies in SV needs derivation, particularly in engaging local communities versus standard themes, pose a significant challenge reflecting innovation's complexity and adaptability. Data also suggested hesitancy among buying organisations and suppliers to engage in SV delivery due to perceived complexity and resource constraints, hindering successful integration into procurement processes.

6.3.4   Relative Advantage of SV

The study found that there were perceived SV benefits, such as social, economic, and environmental, alongside concerns regarding the perceived additional costs and resource requirements associated with SV delivery. Also, the spend threshold previously identified in the analysis and findings chapter means that larger procurement projects are more likely to yield higher SV benefits, while projects below the threshold are unlikely to account for SV. Considering the DOI theory's emphasis on perceived advantage influencing adoption rates, the study recommends that individual procurement actors understand and endorse SV benefits. This is crucial, as individual perceptions of innovation's advantages outweigh the objective benefits, ultimately promoting SV diffusion.

6.3.5   Observability

Through the DOI lens, the study explained that discrepancies in SV evaluation and monitoring not only affect quicker identification of failures but also make visible SV outcomes. This practice tends to stimulate SV discourse and consequently promote its adoption.

To conclude this section, the researcher proposed a social outcome procurement process to facilitate the integration of SV in the procurement process. Drawing on the reviewed literature, the UK's procurement model, and the CIPS procurement cycle, the study proposes a social outcomes procurement framework to contribute to enhancing the consideration and implementation of SV within the procurement process.

6.3.6   Proposed Framework for Embedding SV in the Procurement Process

Drawing from the procurement process reviewed in Chapter 2, specifically the CIPS procurement and supply cycle and the UK's procurement model, which recommends the integration of SV in the procurement process, a framework is designed to suggest an integration of SV in the procurement cycle. See Figure 6.3 for a modified version of the procurement process, suggesting the identified stages of procurement where the SV should be incorporated. This aims to demonstrate how SV can be made an integral part of the procurement process, thereby creating the opportunity for better management and delivery of SV through procurement. The resulting outcome may also facilitate the ability of procurement officials to evaluate and decide ways to sustain the SV created during the contract procurement when the contract ends.

Figure 6.3 Procurement (social outcomes procurement) cycle. Author's own adaptation of the CIPS procurement cycle based on study and UK SV model
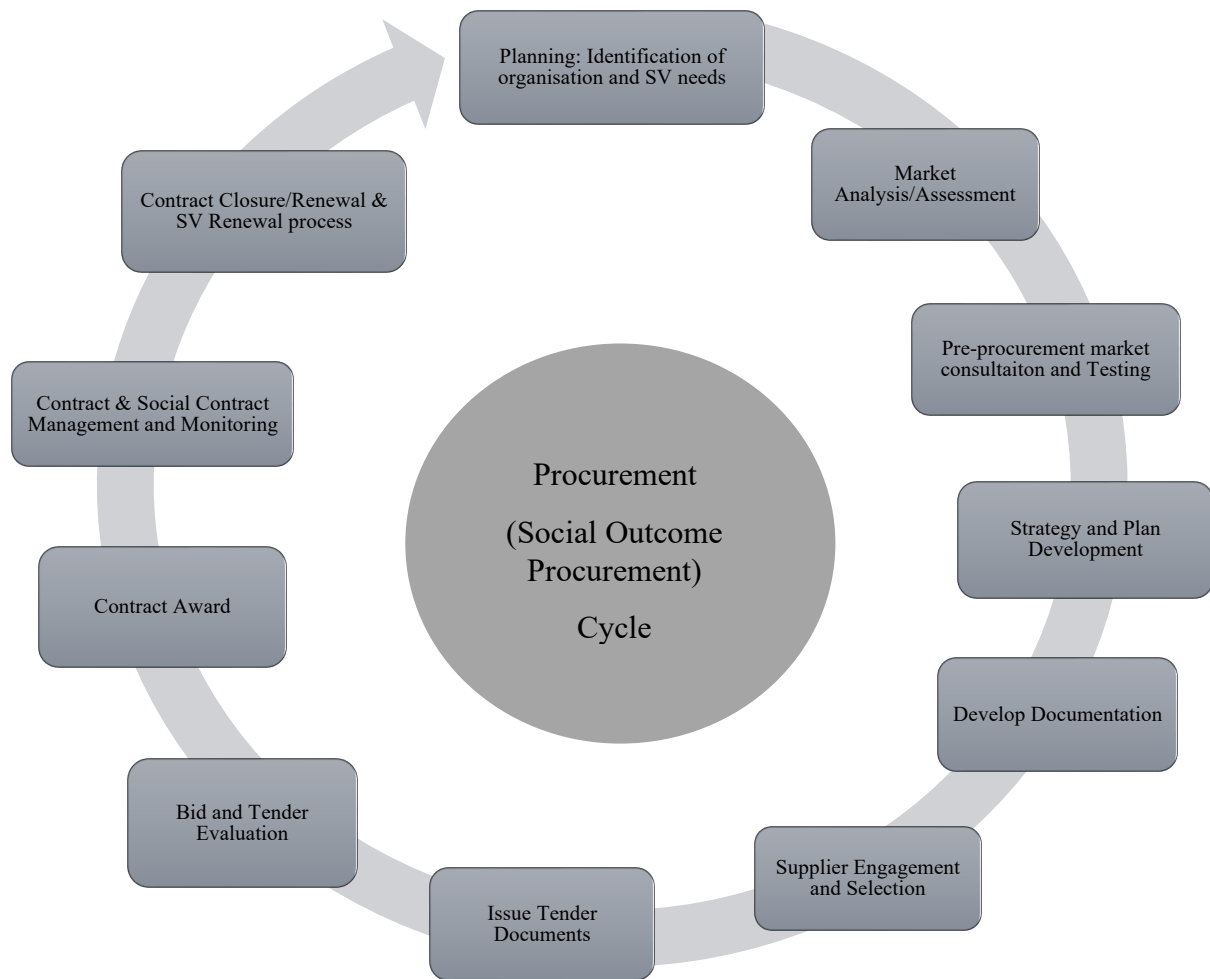
Identification of Organisation and SV Needs: This phase includes identifying SV needs alongside traditional procurement requirements. As discussed in Chapter 5 and supported by the proposed frameworks Figure 6.1 and Figure 6.2, the SV need identification could be derived from consultation with the local community or their representatives. This ensures that SV becomes an inherent part of the procurement process from the outset. Both organisation and SV needs should be verified, with a specification created to define them. With regards to SV creation, this stage should also involve the identification of SV opportunities, selection of the appropriate themes and policy outcomes from the procurement model, and a review of the model award criteria to establish it is pertinent to the contract in terms of relevance, proportionality, and fairness; a consideration of the right mix of the model award contract and reporting

metrics is required to create SV KPIs alongside the main contract's KPIs to ensure that the key SV objectives are aligned and achievable.

Market Analysis: A procurement process should ideally involve a market assessment to enable the make-or-buy decision. Including SV at this phase would involve an assessment of the market's role in SV delivery and determining the market's level of maturity in SV delivery; an establishment of the market's supplier makeup – identifying the players in the market; the inclusion of relevant supply chains in the assessment; and making assessment of underrepresented groups; and barrier removal a major consideration in the assessment. This phase might also involve selecting suppliers with strong commitments to social responsibility or designing procurement processes that encourage community engagement and development.

Pre-procurement Market Consultation and Testing: This phase will include discussions with the supply market to understand the factors driving cost, quality, and efficiency. SV will be included in the discussions to gain information that will contribute to designing the specification to achieve better value for money. Also, this phase would be the testing of selected themes and policy outcomes from the model, including the relevant tools and award criteria, to ascertain the ideal way of driving SV through procurement and confirm their relevance to the contract.

Strategy and Plan Development: At this phase, procurement strategy and plan are developed considering the potential impact of the external environment on the intended procurement and the organisation's positioning in the market to understand how much leverage the organisation has for the procurement and delivery of SV. It should also factor in the procurement contract duration, value, and SV to ensure no misalignment issues in the procurement strategy, thus mitigating the misalignment issue discussed in this thesis.

Develop Documentation: When developing procurement documents, the selected SV outcomes should be included in the specification and other documents for the procurement, ensuring that SV is an integral part of the documentation. The specification should guide the potential supplier(s) on what is needed concerning

the already identified SV needs. This should be flexible enough to accommodate suppliers' input during engagement and any potential adjustments when necessary.

Supplier Selection and Engagement: At this phase, suppliers are selected from the market options and invited to participate in the tender. The procuring organisation issues a request for information (RFI) to gain insights into the suppliers' strengths, weaknesses, size, financials, and capabilities to deliver on the contract, including the selected SV theme. This exercise may be conducted with key stakeholders to assess how their (suppliers') performance qualifies against the business and SV needs, including an assessment of the criteria for determining which supplier(s) to include in the tender process and request for quotes (RFQ).

Issue Tender Documents: During this phase, the selected suppliers are formally invited to submit their tenders and bids for the contract using the invitation to tender (ITT) and RFQ documents. They (suppliers) are also required to demonstrate in their documents how they intend to meet the award criteria, including the model award criteria, in response to the identified SV theme for that contract. The invitation documents include detailed specifications and documents designed around the business and SV requirements alongside the response timescale.

Bid and Tender Evaluation: After the submission of tenders, the bids are evaluated and validated against the pre-defined award criteria, which, in UK procurement, include the model evaluation question, MAC, and sub-criteria. It is pertinent to conduct this stage to ensure fairness, transparency, non-discrimination, and equal treatment.

Contract Award: Once the evaluation is completed, the contract is awarded to the preferred supplier. This should be the supplier with the Most Advantageous Tender (MAT), given that the procurement focus has moved from considering economic advantage alone to including the gains from other areas, such as SV. The contract is agreed upon and signed by the involved parties to ensure that both parties fully understand their obligations and criteria critical to the success of the contract. To reduce the challenges of suppliers' failure to deliver, penalty clauses could be included in the agreement and discussed with suppliers to ensure they understand the expectations and consequences of non-delivery.

Contract Management and Monitoring: The SV deliverables should be managed alongside the contract performance against the agreed KPIs set out in the contract. The SV KPIs will be developed from the MAC and reporting metrics in the UK SV model to enable performance monitoring throughout the contract lifespan. This review should also create room for ongoing monitoring and evaluation of supplier performance regarding social value delivery and conflict resolution with agreed actions and timescales. Carrying out this phase could ensure that SV objectives are achieved and sustained throughout the procurement lifecycle.

Contract Closure: When completed, most contracts come to an end at this stage. The research has discovered that SV ends with the procurement main project. However, the study proposes that in the case of termination and where applicable, an attempt could be made to seek ways to sustain the long-term management of SV in contract procurement, perhaps by rolling over the same SV project to another procurement contract.

The study also proposes a matrix see Table 6-1 Social Value Optimisation Framework Across Procurement StagesTable 6-1 below outlining the progression of embedding SV in the procurement lifecycle, from minimal efforts to advanced strategy implementation.

Table 6-1 Social Value Optimisation Framework Across Procurement Stages

	Achieving Social Value in Procurement			
Procurement Stage	Low	Medium	High	Very High
Pre-procurement	Minimal social value consideration and stakeholder engagement	Basic social value criteria included	Comprehensive social value criteria included	Strategic social value goals are defined, reflecting stakeholder engagement.
Tendering	Focus on cost as the main evaluation factor	Inclusion of some social value weighting	Balanced approach to cost, quality and social value evaluation	Social value as a key criterion in tender evaluation
Contract Award	Standardised contract terms	Social value clauses included	Detailed delivery plans required	Innovative social value initiatives incentivised

Contract Management	Basic to no compliance monitoring	Regular social value performance review	Active social value performance management	Integrated social value improvement strategies
Post-contract Evaluation	Limited evaluation of social value impact	Some social value impact assessment	Comprehensive social value impact analysis	Long-term social value sustainability planning

Procurement professionals can use the matrix as a roadmap to systematically incorporate and assess the integration of SV delivery at each stage:

Pre-Procurement: Set clear, strategic goals to ensure alignment with broader policy and organisational priorities.

Tendering: Balance cost considerations with social value by embedding it as a key evaluation criterion.

Contract Award: Incentivise innovative solutions that embed social value delivery within contract terms.

Contract Management: Actively monitor and manage performance to achieve measurable social value outcomes.

Post-Contract Evaluation: Conduct detailed assessments to ensure sustained impact and inform future procurement strategies.

Overall, the matrix should aid organisations in evaluating and gradually elevating their approach to embedding SV throughout the procurement process. In addition, this study proposes the following steps in (see fig…) below to help procurement professionals in their strategy for developing and embedding SV in their procurement strategy and process.

Figure 6.4 Social Value Integration Steps for Procurement Professional

Engage Stakeholders:	• Communicate with suppliers and community stakeholders to understand their perspectives and expectations regarding social value. • Foster partnerships and collaborations to enhance social value outcomes.
Identify Social Value Objectives:	• Based on stake holder engagement, define clear social value objectives aligned with organisational goals.
Incorporate Social Value into Procurement Strategy:	• Integrate social value considerations into procurement policies and strategies. • Ensure that social value objectives are reflected in procurement plans and processes.
Develop Social Value Criteria:	• Define specific, measurable criteria for evaluating social value in procurement processes. • Include social value criteria in tender documents and evaluation frameworks. • Evaluate and Select Suppliers:
Evaluate and Select Suppliers:	• Assess supplier proposals based on their ability to deliver social value. • Use a balanced scorecard approach to weigh social value alongside cost and quality.
Implement and Manage Contracts:	• Incorporate social value delivery plans into contracts. • Monitor supplier performance against social value criteria regularly. • Provide support and guidance to suppliers to enhance their social value contributions.
Measure and Report Impact:	• Conduct post-contract evaluations to assess the impact of social value initiatives. • Report on social value achievements to stakeholders and use feedback to inform future procurement activities.
Continuous Improvement:	• Identify lessons learned and best practices from each procurement cycle. • Use insights gained to continuously refine and improve social value integration in procurement processes.

This structured approach serves as a step-by-step guide to embedding social value effectively into procurement processes. It moves beyond theoretical discussions, offering concrete actions that procurement professionals can implement to:

- Align social value goals with procurement practices.

- Engage stakeholders to foster collaboration and accountability.

- Measure and report outcomes to drive continuous improvement.

By delineating clear steps and guidelines, this study sought to contribute to the advancement of embedding SV effectively in the procurement process. With the proposed frameworks and steps, organisations can optimise SV delivery, ensuring meaningful and sustainable contributions to society, the environment and the economy.

6.4 Barriers to SV Delivery through Procurement

Before enacting the UK's Public Services (SV) Act (2012), the public authorities were not mandated to account for SV. This study explored how easy or difficult it is for the local councils to contract for SV delivery. The responses indicated that including SV in the contract was straightforward, but the difficulty lies in the delivery of SV despite its being part of the contractual agreement.

The key challenges that were identified include the following:

i. Contractual challenges

ii. Extent of SV knowledge

iii. Level of significance placed on SV

iv. Misalignment of SV need, as well as the length and value of a contract

v. Supplier's failure to deliver.

Applying the DOI and TCE, the thesis discussed these issues in detail and suggested the following mitigating factors.

6.4.1　The Factor for Mitigating Barriers to SV Procurement

6.4.1.1　Addressing Governance Mechanisms

The study unveiled that most of the challenges faced by the procurement actors pointed towards possible oversight of transaction attributes. Through the TCE lens, the study revealed that issues such as unrealistic SV demands from buying organisations and impractical tender offers from suppliers can be attributed to bounded rationality and uncertainty regarding costs and complexities associated with SV delivery. The study also posits that opportunistic behaviour may arise if the attractiveness of the SV statement influences the likelihood of winning bids. Additionally, mismatched SV project selection may stem from asset specificity issues, where proposed projects may not adequately address community needs or where unique SV requirements make it challenging for suppliers to deliver as agreed. To mitigate these issues, the research suggested the need for a more effective governance mechanism that considers these identified transaction attributes to reduce transaction inefficiencies and costs and potentially ensure SV delivery. Policymakers may also support this by refining the SV policy, providing more apparent enforcement mechanisms, and acknowledging potential uncertainties in the contracting process.

6.4.1.2　Targeted SV Training

The research findings highlighted a concerning disparity in the perceived importance of SV within the procurement process by both the buying organisation and the supplier, thus depicting different positions in the DOI theory's innovation adoption curve. Based on the DOI theory's emphasis on the importance of communication channels and the role of influential entities in fostering adoption, the study proposes that the early adopters of SV within the council employ appropriate communication mechanisms suitable for their circumstances to educate council members. This practice can also be extended to the partner suppliers to enhance SV knowledge and overcome resulting barriers across the board. Furthermore, early adopters among suppliers can adopt similar practices to promote SV adoption. Establishing such targeted training may also increase the significance placed on SV resulting from improved SV awareness.

6.4.1.3 *Improved Management (Evaluation and Monitoring) of Procured SV*

Among the significant management issues identified in this study were poor monitoring of SV commitments and coordination among council members, which impact SV delivery. These management issues echoed the low significance placed on SV and limited knowledge of/or acceptance of SV initiatives identified in this study.

The researcher acknowledges the interconnectedness of these challenges and stresses the importance of comprehensive management strategies that elevate the significance of SV throughout the procurement process to mitigate transactional inefficiencies and costs, as suggested in the governance mechanism section.

6.5   Sustainability of SV Delivery through Procurement

The final RQ sought to investigate how sustainable SV delivery through procurement is by looking at how the beginnings and endings of procurement contracts affected the associated SV. Data suggested that more attention is given to SV at the start of the procurement process. However, SV activities are typically regarded as project-specific and cease upon contract completion. Nonetheless, participants were optimistic about the possibility of SV continuity, and responses further emphasised the need to address governance issues and dissemination of SV to facilitate SV continuity.

Lastly, in this section, the researcher proposes that councils adopt the DOI theory's staged adoption model to further facilitate the diffusion of SV into the procurement process. The stages would include the knowledge stage, persuasion stage, decision stage, implementation stage, and confirmation stage. Please refer to Chapter 3 for a review of how these apply.

6.6   Restating the Research's Contributions to Theory and Practice

The study makes original contributions to both theory and practice, specifically in integrating SV in the municipal procurement process to facilitate effective SV delivery.

Firstly, it identified vital elements influencing SV perceptions and delivery, providing a deeper understanding of how and where SV is delivered. By revealing these factors, the research enhances theoretical knowledge by shedding light on the complex dynamics that shape not only SV interpretations but also their outcomes in procurement practices. This contributes to a more enriched perspective of SV delivery, facilitating informed decision-making by procurement actors.

Furthermore, the research compared academic definitions of SV with those guiding local councils' practices, resulting in the development of a definition incorporating crucial terms from both perspectives. This theoretical contribution clarifies the conceptual understanding of SV, bridging the gap between theory and practice. By synthesising academic and practical definitions, the study provides a unified framework for understanding SV, which can serve as a foundation for future research and practice in the field of procurement.

Additionally, the study identified and categorised different approaches to SV delivery in procurement as prescriptive and collaborative, offering two scenario frameworks to guide procurement actors in their SV activities. This theoretical framework provides practical guidance for stakeholders to navigate SV implementation effectively. By delineating these approaches and providing concrete frameworks, the research equips procurement actors with the tools that may be tailored to guide their flow of SV activities amongst involved stakeholders. The integrated collaborative approach should ensure that meaningful SV is procured and delivered.

Considering that most extant literature and practice (as data suggested) have focused almost exclusively on SV creation, this study contributes a different perspective by investigating how SV is embedded in the procurement process. This was achieved through insight into the practice of integrating SV in municipal procurement and further investigation of real-life procurement practices with councils' SV policies. The study not only identified discrepancies but also revealed significant challenges faced by both buying

organisations and suppliers alike in delivering SV. This empirical analysis provided valuable insights into the gap between policy intentions and actual implementation, highlighting areas for improvement. Applying DOI theory and transaction cost economics theory, the research explained these discrepancies' underlying causes and implications, contributing to theoretical understanding.

Finally, to facilitate SV integration into the procurement process, this study drew on relevant literature to propose a social outcome procurement process with the intention of making SV visible in key stages where it appears neglected the most. Thus, the development of the social outcomes procurement process contributes to the literature about embedding SV in procurement, influenced by empirical and theoretical insights. The study provided recommendations based on the applied theories to address the identified challenges and enhance SV embedding in procurement processes. These recommendations offer actionable strategies for stakeholders to overcome barriers associated with SV delivery through procurement and optimise SV outcomes. By translating theoretical insights into practical suggestions, the research contributes to theory and practice by offering tangible solutions to improve SV delivery in procurement practices.

In summary, the study advances theoretical knowledge of SV in procurement processes while offering practical insights to stakeholders involved in SV implementation. By identifying key elements, comparing definitions and providing a comprehensive one, categorising approaches, analysing real-life practices, and providing recommendations, the research contributes to a holistic understanding of embedding SV in municipal procurement and informs efforts to enhance SV outcomes in practice.

6.7   Limitations of the Research

The research conducted on SV (SV) procurement practices in London boroughs faces several limitations that should be acknowledged to ensure a balanced interpretation of the findings.

Firstly, the geographical focus of the case study on London boroughs restricts the generalisability of the research findings beyond this area. While the study offers valuable insights into municipal SV procurement practices within London boroughs, it may not accurately reflect practices at a broader national or international level. This limitation implies that the findings may lack broader applicability and relevance to

SV procurement practices in other regions or countries, potentially limiting the transferability of the research findings to different contexts.

Secondly, the low number of participants involved in the study poses a significant limitation to the research. The hesitancy of some councils and suppliers alike to engage in interviews due to their low involvement in SV initiatives contributed to the limited representation of these procurement actors in the study. This limitation raises concerns about the representativeness of the sample and the comprehensiveness of the insights obtained. The researcher could not press for more participation because the interviews did not yield additional information on SV sustainability or a different approach to embedding SV in the procurement process. Also, while the study attempted to supplement interview data with council SV policy statements, it encountered challenges due to the limited number of councils with explicit SV policies in place. Among the thirty-four councils in London Borough, only fifteen had SV policy at the time of data collection for this research. Although some had SV toolkits, the researcher restricted data to the SV policy to reduce the discrepancies in the data sources. Nonetheless, this limitation suggests that the findings may be skewed towards councils with established SV policies, potentially overlooking practice variations among councils without explicit policies. As a result, the research may not fully capture the spectrum of SV procurement practices within London boroughs, limiting the breadth of the insights obtained.

Furthermore, the study did not benefit from quantitative data because it relied on semi-structured interviews as the primary method of data collection. While the interviews are valuable for exploring individual perspectives and insights, they may not capture broader trends or patterns in SV procurement practices. The absence of quantitative data limits the ability to make statistical inferences and analyse the prevalence or effectiveness of SV procurement practices across different councils, potentially limiting the robustness and generalisability of the research findings.

In conclusion, the research on SV procurement practices in London boroughs is subject to several limitations that may impact its findings' generalisability. These limitations include the geographical focus on London boroughs, the low number of participants, the limited availability of council SV policies, and the reliance on in-depth interviews without quantitative data. Addressing these limitations would require expanding the geographical scope of the study, increasing the number of participants, incorporating diverse

data sources, and employing mixed-method approaches to enhance the comprehensiveness and rigour of future research in this area.

6.8   Recommendations for Future Research

Based on the limitations identified in this research, several recommendations have been made below for future research to address these gaps and enhance the understanding of SV integration in procurement processes:

1. **Broader Geographical Scope:** Future research should consider expanding the geographical scope beyond London boroughs to include a more diverse range of national and international regions. By conducting comparative studies across different geographical contexts, researchers can gain insights into variations in SV procurement practices and identify common trends or best practices applicable across various settings.

2. **Increased Participant Engagement:** To overcome the limitation of low participant involvement, future studies should employ strategies to encourage greater engagement from councils and suppliers engaged in SV initiatives. This may involve offering incentives, building stronger partnerships with procurement stakeholders, or employing alternative data collection methods that accommodate diverse participation levels, such as online surveys or focus groups.

3. **Comprehensive Data Collection:** Besides supplementing interview data with council SV policy statements, future research should consider incorporating multiple data sources, including SV toolkits, procurement documents, and performance reports. By triangulating data from various sources, researchers can obtain a more comprehensive understanding of SV procurement practices and mitigate potential challenges associated with relying solely on policy documents or interviews.

4. **Mixed-Methods Approach:** To address the absence of quantitative data, future studies may adopt a mixed-methods approach combining qualitative interviews with quantitative surveys or data analysis. This hybrid approach allows researchers to capture both the depth of individual perspectives and the breadth of overall trends in SV procurement practices, thereby enhancing the robustness and generalisability of the research findings.

5. **Longitudinal Studies:** To examine the evolution of SV procurement practices over time and assess the effectiveness of policy interventions, future research should consider conducting longitudinal studies that track changes in SV policies, practices, and outcomes over an extended period. By monitoring trends and developments in SV integration, researchers can identify emerging challenges and opportunities for improvement in procurement processes.

Overall, by addressing these recommendations, future research can advance the understanding of SV procurement practices, inform policy development and implementation, and ultimately contribute to achieving SV objectives in procurement processes.

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8 Appendix 1

Project Title: Social Value and Contractual Discontinuities

<u>Research Aim:</u>

This study aims to examine the role of contract beginnings and endings in the sustainable management and delivery of Social Value. Therefore, the study will include buyers of social value (e.g., local councils) and providers of social value (local organisations, charities, etc.).

<u>Researcher:</u>

This PhD research is being conducted by me, Favour Uzoma Mba, PhD Candidate at London Metropolitan University

<u>The study procedure that you'll be involved in:</u> You're invited to participate in my case study research on 'Social Value and Contractual Discontinuities in Procurement Contracts', as an interviewee. This means that you'll be asked to participate in an interview to help me, the researcher, with data that will aid in my understanding of this research and help me achieve the aims stated above.

<u>Nature of Interview Questions:</u>

The interview questions will be mainly questions related to social value contracting and provision within procurement contracts. These questions are not designed to evaluate or test your individual or firm's practice but provide information to address this research specifically.

<u>Benefits of this Project:</u>

Some of the foreseeable benefits of this project include a contribution to scholarly discussion on social outcomes procurement and a contribution to firms' management of how social value is contracted for to ensure its long-term provision whilst being efficient and responsive to the dynamics of procurement. Your participation in this research will greatly contribute to my understanding of the reality of the topic being studied and help me achieve the mentioned benefits.

<u>Privacy and Confidentiality:</u>

The interviews and results of this study will strictly be kept confidential. During the analysis of the information you will provide and the writing of my thesis, your details will be kept anonymous throughout, and only a code shall be assigned to identify you.

The interview sessions will be recorded using my password-protected mobile phone to help me, the researcher, revisit our discussions and extract useful data. These audio recordings will be stored securely in my personal password-protected devices (mobile phone and laptop) and shall be used for this research only. I shall not hold them longer than necessary to answer the research aim, complete the PhD, and disseminate the findings. Afterwards, the recordings will be erased from my devices.

Please know that you do not need to answer any questions that make you feel uncomfortable.

Research Approval: This research has been reviewed and approved by the School of Business and Law Research Ethics Review Panel (RERP) at London Metropolitan University to ensure that all necessary ethical concerns are duly considered and documented before commencing this fieldwork.

Compensation

Your participation in this study is voluntary and unpaid.

Risks/Concerns

There are no known risks to the participants of this study. However, there may be concerns about the privacy and storage of recorded interviews. These concerns will be addressed by storing the recordings in my password-protected devices, assigning code to identify the participant, and erasing the recordings immediately after this research project is completed.

Freedom to Withdraw

Please know that you are free to withdraw from the study at any time and for any reason and do not need to seek permission before withdrawing.

Request for More Information: For further information or questions about the study, please feel free to contact Favour Uzoma Mba at fum0055@my.londonmet.ac.uk

Participant's Confirmation

I confirm that I have read and understood all the details of the research provided above. ☐

Participant's Signature   Researcher's Signature

Date Signed   Date Signed

9　Appendix 2

Interview Consent Form

Participant's Name:	**Interview Date:**

Researcher: Favour Uzoma Mba

Research Title: Social Value and Contractual Discontinuities

I confirm that I have read and understand the details of the research provided in the information sheet

I confirm that the interview will last approximately 45- 60minutes per session

I confirm that I have read and understand how my data and information collected by the researcher will be handled and stored during the research and that the data will be erased at the end of the research project.

I agree to take part in the above study

I confirm that my participation in this study is voluntary and that I may withdraw at any time without penalty.

Participant's Signature　　　　　　　　　　　　　　　Researcher's Signature

Date Signed   Date Signed

10   Appendix 3

Case Participants' Profile

No.	Role at the time of the interview	Length of experience in procurement (years)	Length of experience in SV procurement (years)
1.	Chief procurement officer	14	n/a
2.	SV co-ordinator	3	2
3.	Chief procurement officer	10	
4.	Procurement officer: practitioner work of delivering tendering and procurement	5	1
5.	SV coordinator	n/a	1
6.	Chief procurement officer	14	n/a
7.	Head of X project	5	1
8.	Strategic function manager and lead officer for insourcing initiatives	8	n/a
9.	Social value manager	14	n/a
10.	Head of procurement for 2 councils	13	n/a
11.	Social value manager	5.5	n/a
12.	Social value officer	4	2
13.	Social value manager	5	2
14.	Senior procurement officer	9	4
15.	Procurement lead	7	3
16.	Category Manager (Construction)	6	2
17.	Procurement-Social Value advisor	4	3

11 Appendix 4

Table showing SV definitions– Academic sources

No.	Title	Authors/year	Publication source	SV definition/ interpretation
1.	A re-conceptualisation of social value creation as social constraint alleviation	(Sinkovics *et al.*, 2015)	Critical Perspectives on International Business	"The alleviation of social constraints which can be regarded as the root causes that prevent the system from achieving its goal.
2.	Achieving social value through construction frameworks: the effect of client attributes	(Awuzie *et al.*, 2018)	Proceedings of Institution of Civil Engineers: Management, Procurement and Law	Additional outcomes of publicly funded investment or programmes toward local communities, ranging from employing local suppliers, using the local workforce, and creating sustained opportunities for apprenticeship
3.	Co-creating social value through cross-sector collaboration between social enterprises and the construction industry	(Barraket and Loosemore, 2018)	Construction Management and Economics	The creation of public value through cross-sector collaboration (working together, sharing resources, expertise and knowledge)
4.	Creating Social Value for the 'Base of the Pyramid': An Integrative Review and Research Agenda	(Lashitew *et al.*, 2022)	Journal of Business Ethics	Business-led approaches for improving the socio-economic well-being of Base of Pyramid communities in an economically viable manner.

5.	Defining social value in the public procurement process for works	(Gidigah *et al.*, 2022, p. 2259)	Engineering, Construction and Architectural Management	Those secondary benefits, financial and non-financial (employment, training and skills development, business setups, welfare enhancement, crime reduction, environmental protection, among others) that are obtained by individuals or communities as a result of the execution of construction contracts that are capable of enhancing well-being, social and human capital, that ultimately results in a positive social change to individuals and the wider community.
6.	Defining social value in the UK construction industry	(Cartigny and Lord, 2017)	Proceedings of Institution of Civil Engineers: Management, Procurement and Law	Envisaging how the award of a construction contract can improve a community's social efficacy and an individual's network and trust
7.	From outcomes-based commissioning to social value? Implications for performance managing the third sector.	(Harlock, 2014, p. 6)	Third Sector Research Centre	The wider added and collective benefits a service may generate
8.	Identifying the social values driving corporate social responsibility	(Fordham and Robinson, 2019)	Sustainability Science	Defined SV from CSR perspective, as a reflection of aspirations, hopes, and dreams that people hold, and is considered crucial for CSR to truly reflect the interests of the wider society.

9.	Pathways to social value and social change: An integrative review of the social entrepreneurship literature	(Hietschold *et al.*, 2021)	International Journal of Management Reviews	A benefit or surplus derived by (disadvantaged) actors participating in market relations while emphasizing the need to create positive spillovers for targeted actors not involved in the exchange
10.	Realising Social Value within the Design and Delivery of Highway England Infrastructure Projects	(Daniel and Pasquire, 2017)	A project report published by NTU	Consideration of benefits to individual stakeholders in the community as well as the physical environment. Definition provided by sustainable procurement task force (HMRC, 2010)
11.	Social entrepreneurship research: A source of explanation, prediction, and delight	(Mair and Martí, 2006)	Journal of World Business	The combination of resources in new ways mainly to stimulate social change or meet social needs
12.	Social Entrepreneurship: A critique and future directions	(Dacin *et al.*, 2011, p. 1204)	Organisation Science	"providing solutions to social problems".
13.	Social value and organizational performance in non-profit social organizations: Social Entrepreneurship, Leadership, and Socio-economic Context Effects	(Felício *et al.*, 2013)	Journal of Business Research	"The necessary goods and services provided by organisations with a social purpose such as promoting community development, advocating for more inclusive and fairer policies, or dealing with a variety of other social problems".
14.	Social Value as a Mechanism for Linking Public Administrators	(Jain *et al.*, 2019)	International Journal of Public Administration	A value that demonstrates change(s) in the live(s) of an individual or groups of

	with Society: Identifying the Meaning, Forms and Process of Social Value Creation			individuals when tangible and intangible resources are employed at the grassroots level by social actors, ultimately creating social change within the society.
15.	Social Value Creation and Relational Coordination in Public-Private Collaborations	(Caldwell *et al.*, 2017)	Journal of Management Science	"The sum or entirety of benefits obtainable from the exchange between both sectors"
16.	Social Value Creation in Inter-Organizational Collaborations in the Not-for-Profit Sector – Give and Take from a Dyadic Perspective	(Weber *et al.*, 2017)	Journal of Management Studies	The joint (social) value created through inter-organizational relationships as the sum or entirety of benefits yielded from combining or exchanging core competencies and resources relative to the costs – regardless of whether the social enterprise, the partner, or the beneficiaries appropriate that value.
17.	Social value creation through tourism enterprise	(Altinay *et al.*, 2016)	Tourism Management	A means for studying how contexts are socially constructed through the enactment of practices and exchange of resources that lead to value creation and the (re) formation of social structure

18.	The Social Value Act 2012: Current state of practice in the social housing sector	(Opoku and Guthrie, 2018)	Journal of Facilities Management	The additional value that is created during the delivery of primary services which have a wider impact on society, mostly within the community of operation

12 Appendix 5

Modifiedied SV definition/ interpretation – Academic Sources

1. The alleviation of social constraints which can be regarded as the root causes that prevent the system from achieving its goal.

2. Additional outcomes of publicly funded investment or programmes toward local communities, ranging from employing local suppliers, using the local workforce, and creating sustained opportunities for apprenticeship

3. The creation of public value through cross-sector collaboration (working together, sharing resources, expertise and knowledge)

4. Business-led approaches for improving the socio-economic well-being of Base of Pyramid communities in an economically viable manner.

5. Those secondary benefits, financial and non-financial (employment, training and skills development, business setups, welfare enhancement, crime reduction, environmental protection, among others) that are obtained by individuals or communities as a result of the execution of construction contracts that are capable of enhancing well-being, social and human capital, that ultimately results in a positive social change to individuals and the wider community.

6. Envisaging how the award of a construction contract can improve a community's social efficacy and an individual's network and trust

7. The wider added and collective benefits a service may generate

8. A reflection of aspirations, hopes, and dreams that people hold, and is considered crucial for CSR to truly reflect the interests of the wider society.

9. A benefit or surplus derived by (disadvantaged) actors participating in market relations while emphasizing the need to create positive spillovers for targeted actors not involved in the exchange

10. Consideration of benefits to individual stakeholders in the community as well as the physical environment. Definition provided by sustainable procurement task force (HMRC, 2010)

11. The combination of resources in new ways mainly to stimulate social change or meet social needs

12. Providing solutions to social problems.

13. The necessary goods and services provided by organisations with a social purpose such as promoting community development, advocating for more inclusive and fairer policies, or dealing with a variety of other social problems.

14. A value that demonstrates change(s) in the live(s) of an individual or groups of individuals when tangible and intangible resources are employed at the grassroots level by social actors, ultimately creating social change within the society.

15. The sum or entirety of benefits obtainable from the exchange between both sectors

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16. The joint (social) value created through inter-organizational relationships as the sum or entirety of benefits yielded from combining or exchanging core competencies and resources relative to the costs – regardless of whether the social enterprise, the partner, or the beneficiaries appropriate that value.

17. A means for studying how contexts are socially constructed through the enactment of practices and exchange of resources that lead to value creation and the (re) formation of social structure

18. The additional value that is created during the delivery of primary services which have a wider impact on society, mostly within the community of operation.

13 Appendix 6

SV definition/ interpretation – Case data

1. We have three themes that we ask people to support us across: investment in local people investment in the local environment and investment in local businesses. So kind of the people, economy and the planet.

2. An important part let's say, it's an important factor when we're going out to tender and procuring new contracts. But it's not essential

3. That delivery through our procurement programme has benefits that can be delivered, which are of a non-economic nature as such. So benefits into our community, through our procurement and tendering processes; benefits that allow our local business community to strengthen [...] And to really be able to use the vast strength of our supply chain to be able to deliver what we generically call social value. Now, just maybe to quickly add to that, is that environmental value and issues are also of great consideration.

4. The community aspects of our supply chain.

5. It's defined as the contribution to the economy, the environment and the community. And they're the kind of three pillars, I guess, of what social value is?

6. It's affecting the social, economic and environmental aspects of the local community. I think its social value was seen as additionality I think, but it's becoming a necessity in procurement activity, because of the constraints in funding the local authorities have at the moment and is increasingly more and more difficult.

7. Anywhere in which we can give back to the community through work

8. Anything to improve our community over and above the, quote the right price and the ability to make the specification. So, it's anything we do over and above the basic that we do.

9. The social, economic, and environmental side of things. So it's not just around communities, we do draw in the environmental aspects in terms of when we define social value

10. Any economic, social, or environmental benefits we can bring about so community will be the traditional definition.

11. The activities that we undertake, that provides social and economic return for councils or for our customer. […] So I would define it, it's the things that we do that have an impact

12. It's any benefit that's outside of the contracts or whether that is bringing any Social economic, or environmental good, very kind of holistic idea of it.

13. It's the additional benefits derived from things that we buy certain products or services that we pay for or works.

14. It is additional value. It's what can the supplier give us over and above what they've signed up to in the contract. So, it's not the specification, it's what they can give us as extra.

15. Where the Council and local housing association are trying to I want to use the word justify those probably the wrong word justify, are trying to make it a bit clearer to the local people why companies have been selected to contribute to all the work in that area

16. Added benefit. Social value is about you delivering additional benefits to the council, not us giving you an unfair advantage against other suppliers.

17. For me, predominantly, it is really about business support that's actually offered to other people

18. "Purchasing power to maximise social return, foster local employment, promote fair pay, encourage local business growth and support community priorities."

19. "A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation but also to society and the economy, whilst minimising damage to the environment."

20. The generally recognised shorthand for achieving extra community benefit through procurement. It asks the question: "If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?" Social value is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract. Social value asks the question: 'If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?'"

21. The additional economic, social and environmental benefits that can be created when the Council purchases goods, works or services from outside the organisation. It is also a key pillar of community wealth building.

22. The additional benefit created in the delivery of goods, works or service contracts which has a wider community or public benefit and exists to provide additional opportunities across the borough for all. Social Value is about ensuring when spending on the delivery of goods, works and services, that same spend is used to produce a wider benefit to the community.

23. Looking beyond the price of each individual contract and looking at what the collective   benefit to a community is when a public body chooses to award a contract. Therefore, by considering the economic, social, and environmental well-being of the area when

undertaking public procurements, and by considering how the procurement process and contract management can be used to deliver these benefits, the 'social value' comes from identifying the broader benefits of the contract, in addition to the stated purpose.

24. A process whereby organisations meet their needs for goods, services works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits not only to the organisation but also to society and the economy whilst minimising damage to the environment (Sustainable Procurement Taskforce).

25. Outcomes and activities that will improve the quality of life & life chances of [Council's] residents and enhance the sustainability of the local area.

26. Quantifies the added social, economic and environmental benefits that can be gained from actions the Council already undertakes.

27. The wider financial and nonfinancial value created by an organisation through its day-to-day activities in terms of the well-being of individuals and communities, social capital created and the environment.

28. A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits not only to the organisation but also to society and the economy, whilst minimising damage to the environment.

29. It is also defined as: 'The additional benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes.'

30. the benefits that built places provide to their local communities. In this definition, the local community includes existing residents, businesses, and other stakeholders in the local area, and all those who interact with the place – now or in the future.

31. Delivering wider economic, social and environmental benefits over and above the provision of core contract requirements. Achieving additional social value through procurement leads to greater value for money, improving outcomes for residents while generating long-term savings.

14 Appendix 7

Comparison of Participants' Responses to Approach to Identifying SV

Group A - Prescriptive	Group B - Collaborative
We've got a procurement strategy, which runs from 2020 to 2025, which was signed off by cabinet and within that, we had the requirements that you have to apply between 10 and 25% of the overall waiting for your tenders to social value. So that gives them quite a broad spectrum. And it reflects the importance of social value to the council and particularly, you know, where it's gonna be more localised. What we have in terms of determining what priorities in that social value area we would focus on will be dependent upon the type of procurement and the nature of the procurement that we go out to [B7]	*I run a bi-monthly panel with internal front-facing staff and external voluntary sector organisations where we meet to discuss the priorities and the issues in the borough [B1]*
The council looks at eight or nine key priorities. When considering social value. Those are the key priorities of the council that set out the framework for us to build the social value basket around. It's normally manifesto commitments [B8]	*At the inception stage, You have experts from different areas coming together to form a project group. There will always be this interdependency. And we do work very closely together. But, it's probably the commissioners who take on that market management role [B3a].*
There are some things that are pertinent to certain contracts. Do we ask the community? *I don't know. I mean, in terms of procurement, no, we don't. We do pre-market early market* *engagement with suppliers. So, I'm not saying we necessarily do, but you would find out about how they think the contracts and what should be within the remit of the contract, but it may not cover social value as such. It's more about the design of the specification [B9]*	*So we've done a lot of work around local needs analysis and spent analysis to give us a benchmark that we can use to work towards increasing the social value delivery in the county as a partnership approach. Ultimately, the decision is with the supplier; really, it's up to them to develop their commitments. But we, as the local authority, definitely have a role to play in influencing that [B4].*
In the majority of cases, we will actually provide a supplier with the whole suite of Tom's; I think the last count, there were about 149 different themes [B10]	*The council has very strong policies in several areas, and that's built up over the years, with various local needs assessments done within the area …We are exploring how we can improve our impact on the community and do it collectively. If we all start targeting the right areas, then we'll have a greater impact than just individually picking off each of the little ones [B5].*

B11 n/a	*The council has very strong policies in a number of areas, and that's built up over the years, having a variety of local needs assessments done within the area …We are exploring how we can improve our impact on the community and do it as a collective. If we all start targeting the right areas, then we'll have a greater impact than just individually picking off each of the little ones [B5].*
Providers response	
"It depends on each client during the implementation process of the matrix system. We meet with key stakeholders from the Council, and they can tell us what their priority areas are in the local region" [P3]	*"We have a level that we commit to at the tender stage. So, from the outset, we commit to saying what we can deliver and how we can deliver it. And it's very much from that point of view. We then also look for other opportunities whilst we're on site. Deciding the ideal SV to deliver is always an evolving picture, really. They do kind of evolve as you are on-site, and I think that is a benefit you do get from SMEs because they're close to the top of local communities. So, we are able to make quite local informed decisions on what would add value to that local area… So, as a committee, we have been able to engage our clients' workforce to ensure that our SV delivery is meaningful and impactful for them while enhancing our culture and how we deliver that" [P1].*
"So, what they're able to do is to lay out a selection of areas that they want to try and focus the SV on, and then we sit with them, and we discuss, and we talk about what's what we do" [P4].	*"We have a community engagement team to engage with the community to identify and provide what the community actually needs. But ultimately, things do change over time. Because of what we do, we've been quite proactive" [P2]*

15   Appendix 8

Comparison of Participants' Responses to Extent of Community Engagement

Group A	Group B
"...In terms of specific community engagement around the procurement side of things, we haven't done it as a matter of course because if we start to think about trying to introduce community involvement in the procurement process, that can sometimes derail the procurement; they don't always understand the impartiality of it, and they get, vitriol into their own view of what should be delivered. If we can find a way and are comfortable with them being part of the procurement, we would try and accommodate that." [B7]	*"We have a lot of community hubs. So, I try and speak with the relationship managers regularly, and work with a lot of sector organisations to understand what they're seeing and what they're hearing" [B1]*
	"We have a group called [...] who are the voice for lots of the voluntary groups. And they sometimes have things they have in mind and will let us know. And then we can kind of go out to the suppliers and ask if you would be willing to do that" [B3a].
	"We have community engagement, but it is very sporadic. It's not systematic. It's not a sort of standardised approach, and some areas are better than others and are more engaged with others. We have an economic development team that is focused predominantly on improving the local economy, which is a big part of it. But it's not all of it" [B2]

	"Yes, there is a form of community engagement. So, as part of the development of our Council-specific TOMs, the anchor institutions all had one-to-one interviews, and that included sort of frontline people, I guess, so people who, you know, understand the community" [B4].
	The council has very strong policies in a number of areas. And that's built up over the years by having a variety of local needs assessments done within the area. Each one of those wards will have its own kind of local needs analysis; there'll be something very specific for that Ward, and there'll be very personal and community-driven to them. And so what we need to target in terms of social value will differ in ... to what it would be... That's key when you're dispersing the social value activities in the correct place. So it gets the correct. Let's say it creates the right impact in the right place [B5].

Providers' response
"We have an SV and Engagement Committee, which includes local workforce members. And it's such an array of people. So, we've got a planner, a construction manager, a site manager, and HR..." [P1].
"Yeah, so it depends on which groups you work with within the Council. For example, we run a face-to-face workshop in X Council every month, and the community engagement side is that they go out to people they work with in the communities and say, What would you like us to run workshops on? So, we provide a whole list; we've got about 20, at the moment, of different things we can offer. That goes out to the community, and they can do an online survey, I think, and provide feedback. So, we're delivering stuff that the community actually wants, which I think is super important" [P3].

16   Appendix 9

Participants' responses on embedding SV in the procurement process

Response	Participant code
'The council's rule for SV is that a 10% value has to be considered for any procurement. That's not a minimum or a maximum; it's just 10%. It's going into the performance indicators for the contracts.'	*[B2]*
'So, the process is very project-based and project team-based; we come together right at the start to understand what we're buying in. Why are we buying it? How are we going to buy it? How are we going to develop the documentation? Do we know? Do we need to understand the market more? Do we do some market engagement? Yeah. So, we do all of that type of thinking very early on pre-procurement., We have a very robust governance, that allows us to write a report to say, "This is what we want to do. And this is how we want to do it. And this is how much it's going to cost to be able to get the approvals from the people above us." Yeah. So, once we get that approval to go to the market, the tender	*[B3b]*

documents are developed, and we fill in corporate SV. And then we go to the market. We give the market time to pull their bids together and send them back to us. We have deadlines, of course, all that comes back, and that multidisciplinary group will then evaluate those bids based on the weighting that was published. The second approval is to award a contract.'	
'When preparing the tender documents, that's really when the SV discussion kind of begins. So the council has developed a KPI listing which has four themes. We go through the KPIs with the stakeholder, and we try and flush out what SV themes they want to be included within their method statement and also what they want in their specification.'	*[B9]*

17 Appendix 10

Comparison of Participants' Responses to SV Evaluation and Measurement

Group A	Group B
We use the national TOMs [B6].	*We don't use a national social value for Tom's, and we have a set of Tom's, but we personally find them a little bit arbitrary. What we didn't want to do was focus our suppliers on filling out a spreadsheet that led them to a big number at the bottom that they could say they have increased the benefit by 40 million pounds in [Council], or by 10 million pounds, what we focus on is more the impact [B1]*
We've recently adopted the [third-party organisation] and the National TOMs, and we've kind of got our view of those TOMs and themes that we want to focus on [B7]	We've created and used our own set of Tom's [B3].
We measure SV delivered against the national TOMs [B10].	*We have our version of the TOMs framework as a kind of measurement and monitoring tool [B4].*
	We have County..., TOMs and kind of pro forma, which are linked more back to some of the policies and, as you mentioned earlier, some of the very specific community issues that we have in the Council [B5].
We have a monitoring suite just like an Excel spreadsheet, basically [B8].	
We don't actually use TOMs as a council. We just have our own dashboard, like an Excel spreadsheet, that we want contractors to fill in. So, it's all manual collation. Then, our social value officer normally collates that on a quarterly basis, and then we have an annual report [B9].	

| *We measure SV delivered against the national TOMs [B11].* | |

18   Appendix 11

Interview data on procurement spend threshold and SV weighting.

Response	Participant code
'We put together an SV policy, which mandated that every procurement exercise over £100,000 will incorporate a mandatory weighting of 10% SV.'	*[B3]*
'There's a threshold level that's around £177,000 for goods and services. Anything under that falls under something called the council's contract procedure rules [. . .] Tender works better because obviously the bigger value of the contract, then in theory, the more SV you can deliver out with that.'	*[B5]*
'It [SV] is for any contract over £100,00.'	*[B6]*
'SV is embedded into the contract, which was all contracts across the council that	*[B8]*

were over 50,000 pounds in value or a combination thereof.'	
'We issue our SV KPI listings to the bidders for any contract of value above £50,00.'	*[B9]*

19   Appendix 12

Interview data on contractual challenges to SV delivery

Response	Participant code
'I think it's really something that different councils are really in a different place because, at the moment, local authorities aren't mandated to evaluate it. It's just whether our particular local authority has put some weight behind it for us or not. So that's a challenge.'	*[B1]*
'If we're putting their [suppliers'] commitment in the contract, then you know there's a contractual obligation, but still, we haven't got any penalties; we're not advanced at the stage where we have any penalties in the contract if they don't deliver it [SV].'	*[B9]*
'You can't penalise somebody that way; you'd have to show that you've suffered a loss. And we couldn't demonstrate we suffered a loss because they didn't deliver the SV. So basically, I'd have to try and negotiate with that supplier to give me something else in return. If they	*[B10]*

choose not to, there's not much I can do about it, which is a bit of a stumbling block. If I'm honest with you, it comes down to the fact you can't have penalty clauses in contracts.'	

20 Appendix 13

Interview data on SV and contract endings

Response	Participant code
'I think it's a sad point that once it ends, the contract ends. There are no longer resources put against it. And that's the sad part of it. There is no post-project evaluation that continues for a year or two years afterwards. We don't have anything like that.'	*[B3b]*
'It varies, really, and I suppose what we're looking for in an ideal world is, you know, SV projects that leave a legacy. And it really varies depending on the contracts, or some of the larger construction contracts that will include – so, for example, one thing that's been included is installing solar panels as part of the SV element, and you know, that leaves a legacy.'	*[B4]*
'Well, hopefully, they'll have delivered it [SV].'	*[B6]*

'No idea is the simplest answer. We don't track it [SV] through the contracts at present.'	*[B7]*
'Mostly at the moment, it comes to an end because there is a specific offer of a specific thing for a certain amount of time.'	*[B8]*
'. . . doesn't really [continue] because, ideally, we would have had the SV that was being offered by that contractor delivered.'	*[B10]*
'At the end of the contract, I mean, basically, you've got the commitments from the supplier. So let's take the highways contract, for example, and they've said, you know, during the life of the contract, we'll have twenty suppliers but may only deliver fifteen then. You know the contract ended. We just haven't got all the SV, basically.'	*[B9]*
'The honest answer? No.'	*[B11]*

21 Appendix 14

SV policy statement data about the meaning of 'local'

Response	Participant code
'We want to see as much of [council's]money invested, in every sense of the word, in this borough. Supporting [council's] main priority of developing a localised approach to SV as the best way to help the community and its residents in the long term.'	*[BSVP13]*
'The council will look to incorporate an SV element in all of its activities. At the lower cost purchases, this will be looking to spend more locally.'	*[BSVP15]*
'By prioritising local employment and work opportunities in the delivery of [council] contracts, council-based SMEs and VCSOs will be able to more clearly demonstrate the added SV they can offer while tendering for council contracts. For contracts where there are no council-based providers, the new strategy will encourage these providers to incorporate [council]-based SMEs and traders into their supply chains. Both of these will have the explicit benefit of retaining council contract spend within the borough.'	*[BSVP18]*
'We want to see as much of [council's]money invested, in every sense of the word, in this borough. Supporting [council's] main priority of developing a localised approach to SV as the best way to help the community and its residents in the long term.'	*[BSVP13]*

22   Appendix 15

SV policy data on councils' SV evaluation and monitoring

SV evaluation and monitoring statement	Council code
'To support the implementation of this policy, the council will produce a toolkit for suppliers that sets out our expectations and requirements of them in relation to SV and explains how SV works in [the council]. At the heart of this will be [the council's] SV TOMs. [. . .] The TOMs will include a proxy value or score for each measure, enabling the SV of the activities to be quantified.'	[BSVP12]
'The national TOMs framework was developed to provide a minimum reporting standard for measuring SV. The tool also allows SV to be measured in financial terms and assess the financial impact of the activity undergone.'	[BSVP16]
'These five strands align with corporate priorities and will define how SV is measured. They are also broadly aligned with the themes from the national TOMs 2019 framework for measuring SV.'	[BSVP17]
'The council will periodically review its SV Policy. In doing so, it will take account of any changes in legislation pertaining to the Public Services (SV Act) 2012, the Local Government Act, EU Regulations, and any	[BSVP3]

changes to the council's priorities when it is reviewed.'	
'If SV objectives are to be delivered, it is essential that the ways in which a contract will provide economic, social, or environmental benefits can be measured and monitored over the life of the contract [. . .] Capturing information regularly throughout the life of the contract should ensure the quality of the service and promote continuous improvement. Monitoring can be undertaken daily, weekly, monthly, or yearly, depending on the contract. As a minimum, there must be an annual review or market testing for continued value for money [. . .] The most important consideration when it comes to SV is to ask: What SV we identified at the pre-procurement stage has been delivered?'	[BSVP11]
'The SV will be scored and evaluated on the quality of the SV being provided and weighed up against the financial compensation allocated. The evaluation will look to ensure the supplier has demonstrated the impact and the outcomes of the SV commitment to the local community and how proportionate it is against the financial compensation they are willing to forego if the SV commitments don't transpire during the period of their	[BSVP13]

contract. The council's SV commitments, delivery, and the SV Fund will be monitored by the Commissioning and Procurement Board who meet on a monthly basis. [. . .] Council will review its SV Policy on an annual basis, coinciding with the annual report to Cabinet. In doing so, it will take account of any changes in legislation pertaining to the public services.'	
'Our Commercial Hub team will take the lead in supporting our contractors and contract managers to ensure delivery of committed benefits to appropriate beneficiaries.'	[B14]
'All SV offers are required to have monitoring clauses for the described outcomes. This may be in the form of Key Performance Indicators where there are defined key deliverable outcomes [. . .], or in cases where there are less tangible outcomes [. . .], narrative reporting or case study evidence will be used.'	[BSVP 15]
'For the purpose of measuring, all outcomes will be measured against the Cleaner, Safer, Prouder Together vision. The Opportunities Board monitoring functions and Key Performance Indicators will be underpinned by a performance management framework for SV activity. This framework will enable us to robustly	[BSVP 16]

measure and demonstrate the full impact and value of the activity we deliver to individuals, communities, and wider society.'	

23 Appendix 16

SV policy data on councils' procurement spend threshold and SV weighting statement

Spend threshold and SV weighting statement	Council code
'The council has adopted both of these (SV Act) practices. It has embedded SV evaluation criteria in tenders for both goods and works. Additionally, it has adopted processes that ensure proportional SV benefits are better secured from low-value expenditure (typically less than £100,000), [. . .] applying a standard weighting for SV within the tender process of a minimum of 10% of the Quality Evaluation Assessment.'	[BSVP2]
'The council published its first-ever SV policy in 2019 with an agreed evaluation weighting of between 5%–10% of a tender's quality score. [. . .] The council is confident that it can derive tangible wider community benefits from a revision of this policy and is therefore proposing that the SV weighting for tenders above £50,000 now include a minimum of 10% (weighted as 45% price, 45% quality, and 10% SV, with all weightings over 10% coming from the quality element) where justified and agreed with the Corporate Procurement Board.'	[BSVP9]

'In order to demonstrate our commitment to achieving the best value for money through our procurement spend, the . . . Borough will incorporate SV into the procurement of goods and works over a significant value, initially £200,000. This value will be subject to review. The weighting will be at least 5% initially (2019–20), rising to a minimum of 10% (by 2024–25), with a maximum of 20% in any procurement. Again, as is the case for service contracts, the weighting will be at least 5% initially (2019–20) rising to a minimum of 10% (by 2024–25).'	[BSVP15]
'Routinely included as an evaluation criterion and in all procurement activity over £100,000.'	[BSVP16]
'A minimum weighting of 10% added SV is applied to all commissioning over £100,000.'	[BSVP18]