

# National TOMs FM Plug-In

## The National Social Value Measurement Framework for Workplace and Facilities Management

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### PART 2 – TECHNICAL GUIDANCE

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# 1.0 Introduction

**Over the last eight years, since the publication of the Public Services (Social Value) Act 2012, the concept of Social Value has risen up the agenda informing both how the public sector buys and procures its services embedding sustainability outcomes at a local level. And while the concept was born in the public sector sphere, its use and application are accepted wide and beyond.**

This guidance has been designed to support FM professionals in understanding how facilities can add social value and their role in maximising social value creation. The guidance is presented over three sections and includes the presentation of a measurement framework, the National TOMs FM Plug-In, that has been specifically designed to help practitioners measure, maximise and report the delivery of social value. Social value in its strictest sense is defined through the Act as the economic, social and environmental wellbeing in connection with public contracts and for a business or facility it is defined as:

**“the wider social contribution that a facility creates for society through how it is managed and occupied including economic returns, the wellbeing of individuals, communities, the environment and society as a whole”**

For years now, and especially since the demise of Carillion, the wider facilities management environment has been keen to demonstrate that the buying and delivery of service provision is about more than providing a service against lowest cost. Social value provides FM stakeholders the opportunity to outline exactly where the service provision provides value, over and above the cost of the contract.

Workplace and facilities management professionals are uniquely placed to make a significant difference in this space, as they are the glue in organisations, marrying the needs of owners, occupiers and supply chain to create not just productive and happy workplaces, but also a major impact on local communities and wider sustainability objectives. Specifically for workplace and facilities professionals this could mean creating jobs for those furthest from the job market, providing apprenticeships, organising school visits, or mentoring, offering support to local communities and protecting the environment through better energy management, increased biodiversity or working to achieve net zero.

While the profession has been keen to drive social value, the lack of a widely agreed definition and especially the lack of a common measurement framework, has hindered its uptake to date according to successive IWFM Sustainability Surveys<sup>1</sup> carried out by the IWFM Sustainability Special Interest Group. The results of the 2018 survey specifically, in combination with the consequent roundtable to discuss the survey outcomes, is where the seed for collaboration between the National Social Value Taskforce, the Social Value Portal and the IWFM was planted.

The National Social Value Measurement Framework for Facilities Management, otherwise known as the National TOMs FM Plug-In has been designed to help the facilities management profession to maximise and manage the delivery of social value and is a result of 18 months of work with contributions from across the industry. The work has been led by Social Value Portal and Institute of Workplace and Facilities Management working under the auspices of the National Social Value Taskforce<sup>2</sup> which is a cross sector organisation whose mission is to promote social value across all sectors of society.

<sup>1</sup> Sustainability Survey 2017, IWFM, November 2017, 9p.

<sup>2</sup> <https://www.nationalsocialvaluetaskforce.org/>

The FM Plug-In has been designed to be used by any organisation involved in workplace and facilities management and whilst there will be slight differences across sectors (e.g. office management vs. retail) the measurement framework is broad enough to be adapted to meet most opportunities.

## About this Document

This guidance describes the philosophy behind the National TOMs Framework FM Plug-In to help organisations apply it and achieve greater reported value. It includes the overarching rationale behind each measure and proxy value as well as how each measure should be used to set targets through a Social Value Action Plan, for procurement, measurement and benefits realisation.

### The guidance is split into three parts:

**Part 1:** An overview and introduction to using the National TOMs FM Plug-In including what they are intended for and how they will be kept up to date and managed over time.

**Part 2:** A detailed description of how to use and apply the FM Plug-In for procurement or measurement, alongside guidance on collecting evidence for contract management and reporting.

**Part 3:** A full list of the National TOMs FM Plug-In including proxy values, rationales and detailed descriptions.

**“As a major asset holder with the responsibility of managing many billions of pension fund investments, we recognise that delivering more than just a good rate of return is now essential part of our real estate investment strategy. As a result, we expect our whole supply chain to engage with this agenda especially our FM providers who are on the front line of this transformation”**

Mark Tyson  
Head of Occupier Engagement &  
Service Delivery, Legal & General

## 2.0 The National TOMs 2020 Social Value Calculators

### 2.1 Overview

The Social Value Calculator for the National TOMs 2020 has been designed to allow organisation and their suppliers to measure, procure and report on social value. It may also be used by private sector organisations to prepare bids where the contracting authority does not have their own specific solution.

[The FM Plug In will be integrated into the National TOMs Social Value Calculator for the 2021 Framework iteration.](#)

**The National TOMs 2020 include 2 calculators:**

- **The Social Value Procurement Calculator** – designed to enable procuring bodies to shape their social value tender requirements to align with their Social Value strategy and stakeholders' views on what matters, by reflecting local priorities and ensuring relevant proxies take account of local conditions.
- **The Social Value Measurement Calculator** – designed to provide all the functionalities that can contribute to effective social value measurement during or after delivery.

### 2.2 The Social Value Procurement Calculator

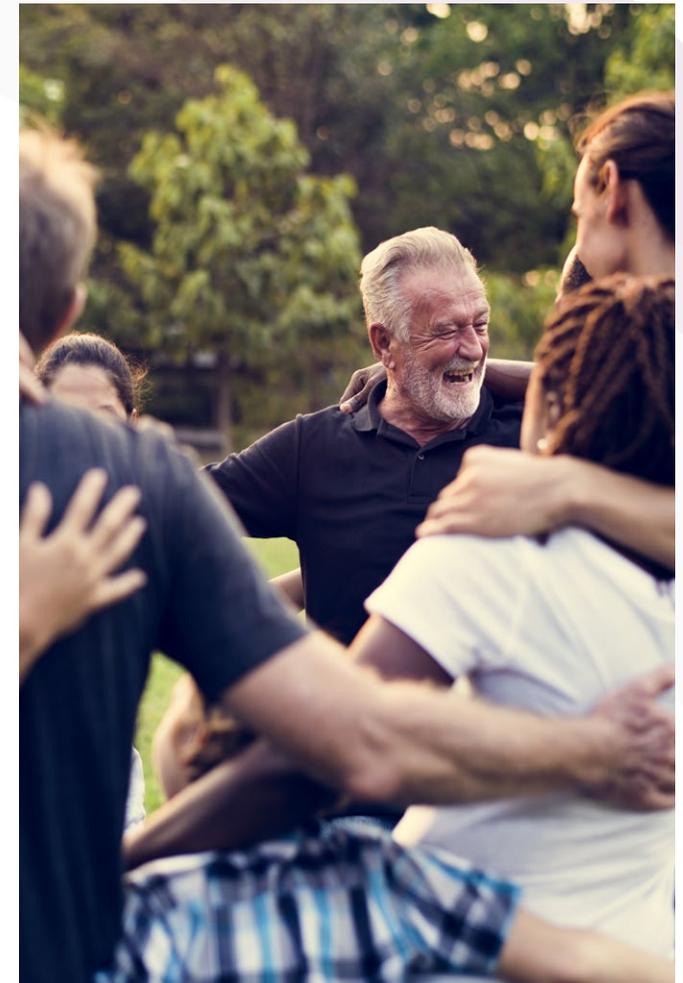
#### General Principles

The Social Value Procurement Calculator has been designed to allow procuring organisations to embed social value into their procurement processes by allowing bidders to calculate the financial value of their social value proposals. This is important as it allows a procuring organisation to compare different bids offering different solutions in an open and transparent manner and according to their evaluation matrix. Procuring bodies should always request a detailed method statement alongside the social value offer to ensure the bidder has considered how they will deliver against their pledges.

#### Engaging with stakeholders and embedding priorities

The Social Value Procurement Calculator is designed to enable procuring bodies to shape their social value tender requirements to align with their Social Value strategy and stakeholders' views on what matters, by reflecting local priorities and ensuring relevant proxies take account of local conditions.

The Calculator should be used together with the Definitions and Guidance for the National TOMs Measures, provided in Part 3 Table 3. The Definitions and Guidance provide detail that is essential for a shared understanding of the boundaries of what is being measured and the composition of each Unit of measurement and Proxy design. The Definitions and Guidance need to be adhered to rigorously by all organisations participating in the procurement process, or the risk of non-comparability and a reduction in rigor and replicability between proposals will occur.



## Prioritisation - why and when

The National TOMs 2020 offer a “menu” or a long list of Measures which are the product of detailed work by the Taskforce and the subject of extensive consultation. By definition, the National TOMs are generic in nature. One way in which procuring bodies can tailor the National TOMs to meet local needs is by prioritising certain Measures as part of the tender process.

Delivering social value is about understanding the needs of specific stakeholders or communities and developing a targeted approach based on that understanding. In order to build meaningful valuation tools, it is therefore important to engage with these stakeholders to understand what really matters to them, and their priorities across a range of different Outcomes and Measures.

The Procurement Calculator allows priorities to be built into social value target-setting by weighting Measures. This creates a lever to steering bidders towards the Measures that the client considers to be most urgent. Where a prioritisation approach is adopted by a procuring authority, it should be made clear to bidders that this is being done, and the differences from the standard National TOMs should be clearly highlighted.

This should function solely as a bid selection mechanism. Any weightings used during procurement should not be retained once social value delivered is being measured – this would distort the results and make them incompatible with other projects applying the National TOMs.

The transition from a weighted set of National TOMs in procurement to an unweighted set for measurement is built into the TOMs Calculator, and it does not require a re-evaluation or resetting of the Calculator, provided the appropriate process is followed.

## How to prioritise

The prioritisation of certain Measures can be determined by the procuring authority itself or through a consultative co-design involving stakeholders.

Where stakeholders are involved directly in prioritising Measures, this offers the potential to reflect the needs of the ultimate beneficiaries more closely in the bid requirements. One of the tools available to integrate stakeholder engagement in the design and deployment of the TOMs is a ‘Social Value Community Charter’. A Charter allows communities to come together to identify needs, opportunities and degrees of urgency, and then co-deliver solutions with the help of other stakeholders, including public sector bodies, businesses and third sector and civil society organisations.

## Embedding Priorities at the Procurement stage

Prioritisation occurs in the Calculator at the Measures level. Where Priorities are defined in terms of Outcomes, these then need to be then translated into prioritised Measures, based on the Social Value Policy. The Calculator allows prioritisation to be applied in two ways.

The first approach – denoted as “prioritisation by level” in the Calculator - is intended for circumstances where the authority itself has determined the relevant priorities. This is the application of a 1 to 3 weighting corresponding to Normal, High and Very High priority respectively. Within the Calculator, this applies a simple numerical multiplier, so that the Social Value Proxy in a measure denoted Very High will be multiplied by 3. Using this approach, aggregate tendered social value results will be higher than their measured equivalents.

The second approach, – denoted as “prioritisation by percentages” - is designed to fit with a broader engagement process where participants are asked in a consultation exercise about the urgency or importance of each Measure. The % of respondents stating that a given Measure is a priority would translate into a weighting.<sup>3</sup> Using this approach, aggregate tendered social value results will also be higher than their measured equivalents.

The Calculator normalises weightings so that both approaches, prioritisation by levels and by percentages, will result in the same range of multiplier effect (i.e. a maximum of 3 times the base value).

## Localised Proxies

Certain Proxy Values are designed to measure or monetise social impact for a defined locality, so they need to be localised and registered in the Procurement Calculator. The tool provides indications for each of these proxies on how to retrieve the source data, or what are the available methodologies to localise the proxy. Key issues that need to be considered are as follows:

- **Locality and Industry setting** - A definition of the reference local area is essential for Measures such as the value of creating jobs for the local community and increasing opportunities for local businesses or local third sector and civil society organisations. This definition may vary depending on the purpose and the owner of the analysis. For Local Authority contracts, the local area should be defined by the Local Authority boundaries, although groups of authorities with combined economic and social strategies may wish to apply a wider regional boundary. For other contracts where the relevant economic, social and environmental geography spans more than one local authority, multiple adjacent authorities could be specified. Alternatively, when a natural specific location for the project can be identified (e.g. a construction site), a 10-20-30 mile radius from the project location can be used.

<sup>3</sup>Specifically, a prioritisation of x% would translate into a weighting of  $1 + (2x/100)$ , so that setting 0% would translate into a weight of 1, and setting 100% would translate into a weight of 3.

- Evidence needs to be collected to justify the “local” characteristics of an intervention or an initiative. For instance, where a radius from a single point defines “local”, it will be necessary for the measurement of local jobs to collect the first half of the post code for the residence of the local people employed. In collecting such data, care must always be taken to comply with current data protection law. Whenever social value is embedded in the procurement process, a clear and consistent definition of the local area should be employed throughout the tender process.
- It should be noted that, since default local multipliers are based on GVA Multipliers, an industry must be selected to assess the value to the local area of “local” spend.

## 2.3 The Social Value Measurement Calculator

### General Principles

The Social Value Measurement Calculator has been designed to provide all the functionalities that can contribute to effective social value measurement during or after delivery.

It should be used together with the list of Evidence Requirements provided in the National TOMs Framework guidance, and included in this document in Part 3 Table 6: Target Guidance and Evidence Requirements. The Evidence list provides guidance on how delivery of each Measure should be evidenced.

### Additional Multipliers

The Social Value Proxies provided in the National TOMs can be combined with additional multipliers based on primary data from the project, whenever these are directly related to the project or contract and can be shown to be robust.

The Calculator can, for instance, incorporate SROI multipliers that measure the impact of initiatives aimed at reducing crime; tackling homelessness; engage people in health programmes or supporting vulnerable people to build stronger community networks. We recommend that any additional multiplier measuring impact is determined by involving stakeholders, and following the Seven Principles of Social Value as stated by Social Value UK (see Bibliography).

Similarly, when an alternative local economic multiplier has been determined specifically for the project - e.g. an LM3 multiplier - this can be used to replace the standard local multiplier provided in the National TOMs.

### Attribution

One of the key principles of social value is to avoid ‘over-claiming’. Frequently, an identified intervention is a partial contributor to an outcome. The Social Value Measurement Calculator allows users to address the question of how much benefit can be claimed by identifying what percentage of the final value for the beneficiaries can be attributed to the delivery of a specific Measure. Attribution has been embedded in the Measurement settings (e.g. through the choice of the Units used) or in the Proxies whenever possible. In some cases, further detailed work is required to determine a robust level of attribution. For instance:

- There might have been other interventions besides the Measure itself that have resulted in the value created (e.g. crime has been reduced in the area, but a new anti-crime strategy has been implemented by the local authority at the same time as the Measure to reduce crime itself). An assessment of how much the Measure has contributed to the observed change in Outcomes should be included;
- An investment has been made which can only partially be linked to the project or contract in questions – because, for instance, the geographical range for the project is a subset of the one for the investment and part of the investment has therefore gone elsewhere. A relevant example would be social value delivered as a result of procurement framework commitments which span more than one local authority area. An assessment of what share of the overall investment has directly contributed to the observed change in Outcomes in the relevant geographical area should therefore be included;
- An investment has been made in partnership with other organisations, so that an assessment of the relative contribution should be made when claiming the value of the observed impact.

## 3.0 Proxy Values

### Methodology

The National TOMs social value proxies (the Proxy Values) are developed from adaptations of cost benefit analysis and appraisal techniques as outlined in the HM Treasury Green Book and other relevant public-sector guidelines (See Bibliography). In technical terms, the Proxy Values provide a valuation of “non-market goods and services” and the National TOMs approach aims to be consistent with the relevant techniques outlined in these guidelines.

Nevertheless, it is important to recognise that some of these techniques have to date only been developed and validated to a relatively limited extent, and that relevant data available to support their application can also be limited.

In order to give users an indication of the robustness and reliability of each Proxy Value, the Toolkit includes a categorisation in terms of Proxy Type (that is, whether the Proxy Value is an input, output, outcome or impact), together with a high level assessment of its robustness (in the form of a “red-amber-green”, or RAG categorisation). The ideal Social Value Measurement Tool would include only outcome and impact proxies that are assessed as being very robust (Green). This presupposes a level of empirical evidence for social value that does not yet exist and in practice, proxies are not always able to meet this threshold – either because valuing or monetising techniques are still being developed and tested, or because of limited data availability. As a result, we use a combination of different types of Proxy Value, while tracking the robustness of the resulting measurement.

### Localising proxies

Some of the proxies capture the Social Value created for the local community. What exactly “local” means will vary and is interchangeable with the term ‘targeted’ meaning a way of describing a geographical area. Definitions commonly in use include

Definition	How used
Local authority area	Typically used by local authorities who have a very specific definition of local
Local in terms distance from the project or site (e.g. 5, 15 or 30miles radius)	Typically used by private sector organisations who are not limited by defined boundaries
Targeted areas of high deprivation which may be unrelated to distance from buying authority	Typically used by public sector buyers who are regional or national and where it is not possible to define ‘local’.
Sub-areas	Used to signpost specific portions of the main local area where the procuring or reporting organisation wants so specifically signpost or report (e.g. on local jobs or spend). These could be e.g. areas of higher deprivation.

By definition, these proxies will need to be tailored to suit the chosen definition of “local”. In some cases - for example local jobs - a link to the source dataset has been provided, and the relevant Proxy Value can be retrieved. In other cases – for example, local spend, there is no ‘off the shelf’ solution to compute local multipliers, and specific guidance should be followed. The default methodology for the National TOMs is based on Type I GVA Multipliers, that are localised based on GVA levels. This can be supplemented by primary research methodologies on a case by case basis, such as the LM3 methodology, which can be included in the analysis.

## Additionality and deadweight

Proxy Values within the National TOMs 2020 are aiming to estimate additional value created. One of steps that are required to identify additionality is factoring in the deadweight. Deadweight refers to the proportion of the calculated proxy value that would have occurred without the intervention of the Measure. It outlines the baseline scenario from which additionality can be identified. Where possible the social value Proxies incorporate an element of default deadweight. This is calculated based on the Measure' Definition and Guidance and can generally be applied to all interventions that qualify for a given Measure. Default deadweight values are specified in Part 3 Table 5: Proxies and Rationale. The ability to make general assumptions about deadweight will vary by measure and by project. Whenever robust primary data from the project or programme is available, it should be used as a substitute for default deadweight figures.

### Do I always need to apply deadweight?

Whether deadweight should be applied or not in the context of social value measurement largely depends on the purpose and the owner of the analysis. When a business is measuring social value, the baseline scenario is the 'business as usual' scenario, or what would have happened as a result of ordinary business operations (e.g. - Where would the typical business in the industry source suppliers from, or jobs? Who would the typical business hire?). When a third sector or civil society organisation is measuring social value, it is more likely that the entirety of its interventions has a primary social purpose, hence deadweight might not be relevant - as the intervention would simply not have happened otherwise.

## Proxy types & robustness

Proxy type categories have been developed to clarify what component of value each proxy captures. The underlying assumption is that each Measure's intervention can be described by a Theory of Change model that identifies the Inputs, Outputs, Outcomes and Impacts of the intervention, and the relationships between those. The TOMs use the most robust proxies available that capture the broader impact on direct beneficiaries, local communities and society at large. A RAG robustness assessment has been undertaken by SVP to capture how established the adopted valuing methodology is, the size of the underlying data sample and how regularly updated the data is. Robustness assessments are available upon request by SVP.

## Rationale, sources and stakeholder analysis

For each of the Social Value Proxies a rationale is provided in Part 3 - Table 5. The Rationale is based on an analysis of the theory of change model for the Measure. Specifically, each is tagged with a proxy type to indicate whether the social value captured relates to the input invested in the intervention (e.g. funds or time donated), the outputs (the resulting good or service provides to the beneficiary), the Outcomes (direct and immediate consequences from the Measures – e.g. increased wages and reduced costs for the NHS), or the impacts (broader long-term wellbeing consequences to the direct beneficiaries, and their related communities). For more detailed definitions of the different proxy types see the Glossary.

While input and output proxies provide values that are more easily verified and therefore more robust, they usually reflect a limited component of the overall value generated for stakeholders. Outcome and impact proxies capture a progressively larger share of the value generated by the Measure. Ideally, only impact and outcome proxies should be included, but it is sometimes necessary to revert to output or input proxies when there is not an established methodology or a sufficient database to generate the former without knowing the specifics of the project.

## 4.0 Social Value Reporting

### Social Value Reporting using the National TOMs should be consistent with the following seven principles:

1. Only results based on the exact Measures, Units and Proxies included in the National TOMs 2020 should be reported within a National TOMs Measurement framework. See Part 3
2. Comparison of results between different projects or programmes should be made on an unweighted basis (that is without factoring in prioritisation weightings that might differ across projects).
3. Measures with Proxies that only reflect local economic value should be reported separately from Social Value where no project specific of additionality (deadweight, leakage, displacement) has been included – understanding the difference is particularly relevant for business (see Part 3 Table 8: Reporting - Social Value and Local Economic Value)
4. Delivering social value is ultimately about enabling change. Users of the National TOMs 2020 should be reporting social value in terms of progress against benchmarks, baselines or targets.
5. Time changes the impact of social value interventions. It is important to keep involving stakeholders to understand what matters and has what changed for them. Reporting should include which stakeholders have been involved and how.
6. Only results that can be supported by evidence should be reported.
7. The numbers don't tell the whole story. Important social value effects should be recorded, even if they cannot at this stage be converted to a monetary equivalent.

