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Innovation Challenge Launch:

Delivering Social Impact for Local Communities

26th September 2024



Health Innovation
North East and North Cumbria



Introducing Edge Innovation

Susan Ross, Head of Projects

Edge Innovation

TEES VALLEY



 **Funded by
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 **Health Innovation**
North East and North Cumbria

 **edge**

Edge is North-East based, but delivers innovation from Chicago to Shanghai...

Our track record includes successful
delivery of innovation projects with:

- Local businesses
- Universities
- Local government and NHS trusts
- Multinational clients in diverse industries

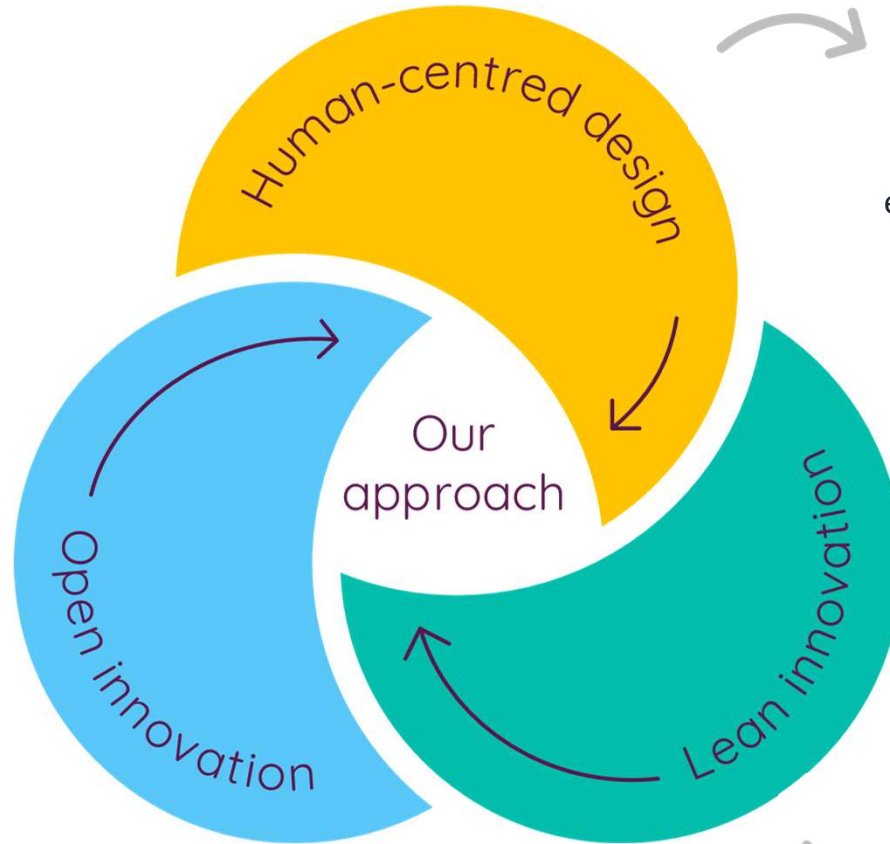


About our approach...



Open innovation:

Building pathways for collaboration to foster innovation and mutual benefit.



Human-centred design:

Putting people at the heart of everything we do. Based in the belief that insight can come from anyone.



Lean innovation:

Taking a strategic approach, minimising waste and prioritising experimentation to fail fast and cheap.

Introducing Tees Valley Innovation Challenge



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Challenge Context

What is the Tees Valley Innovation Challenge?



Why?

- Strengthening innovation maturity in the Tees Valley economy.
- Support innovative businesses through tailored business support, coaching and mentoring.
- Unlock growth potential for Tees Valley organisations.



How?

- Provision of tailored business support.
- Provision of innovation and Design Thinking training.
- Supporting organisations to develop solutions to defined challenges.
- Connecting organisations for mutual growth opportunities.
- Promote Tees Valley as an innovation hub.



Who?

- Tees Valley organisations.
- Large organisations.
- SMEs - under 250 employees.
- Less than 50M turnover.



What?

- 4 routes to support.
- 10 Innovation Challenges
- 7 Innovation Challenge themes.
- £130,000 awarded in grant funding, to 30 SMEs.

The Support Routes

Supporting innovation through 4 key activities



Innovation Challenges

30 SMEs receiving financial and advisory support to respond to specific challenges defined by Challenge Holders and the Edge Team.



1-to-1 Support

30 SMEs receiving bespoke business support to accelerate movement towards their organisational objectives.



Innovation Training

36 SMEs receiving non-financial, design-led innovation training to create new products, services or processes and unlock growth potential.



Innovation Showcase

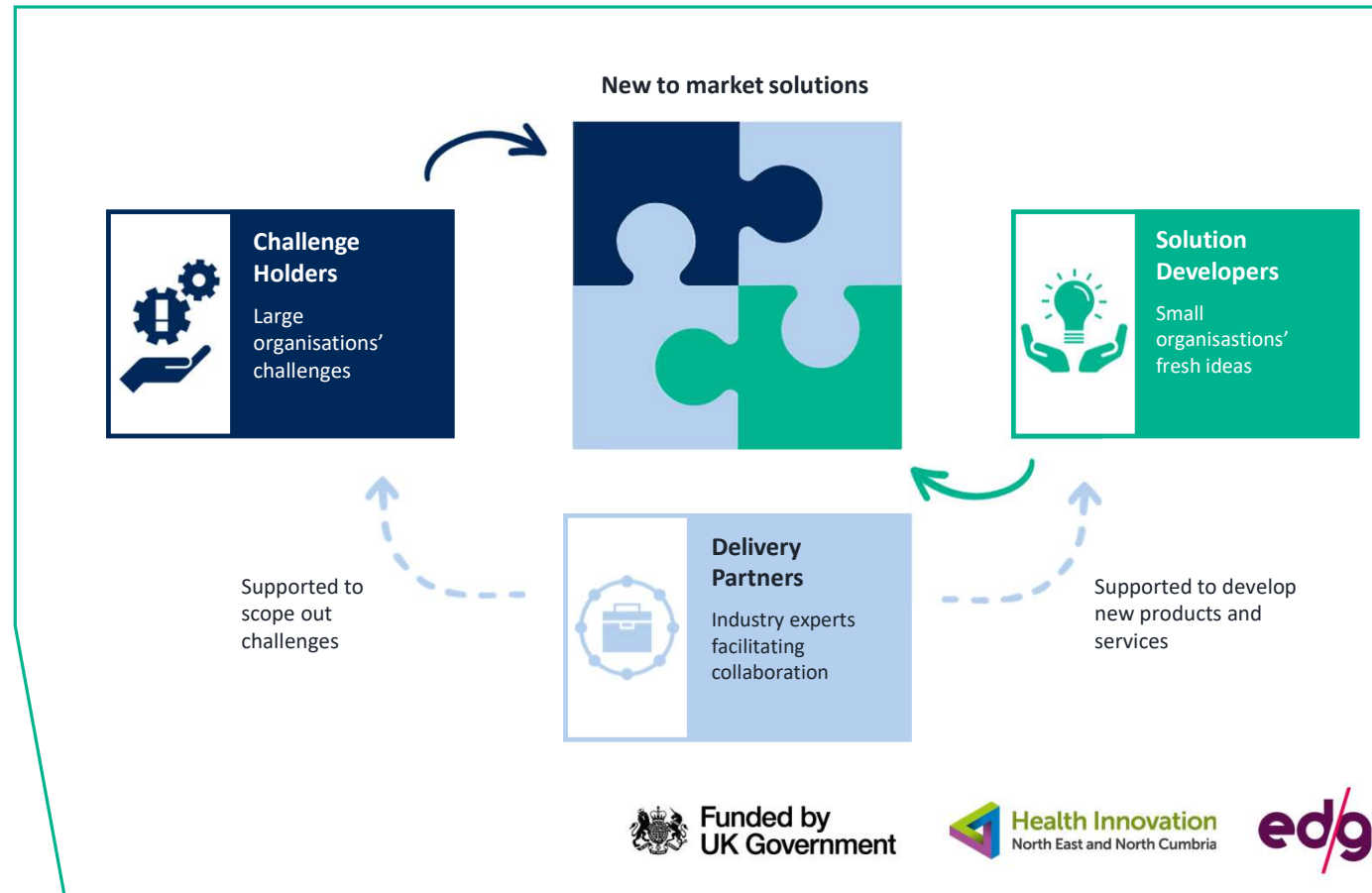
Promote the Tees Valley as an innovation hub, connecting ambitious SMEs with advice, finance, collaborators and potential customers.



Innovation Challenges

In a nutshell

- SMEs (Solution Developers) are supported to respond to the challenges of Large organisations (Challenge Holders) for mutual benefit and collaboration opportunities
- 10 challenges will span across 7 key themes
- Grant funding and business support is available for successful applicants
- Solutions are products, services or processes which respond to the challenge





Challenge Themes

10 challenges to be announced relating to 7 key themes



Digital Innovation

Digital technologies and strategies.



Healthcare

Wellbeing and patient care.



Net Zero & Decarbonisation

Sustainable futures and reduction of emissions.



Social Enterprise

Community development and socially conscious innovation.



Transport & Logistics

Transport, mobility and supply chain management for goods and services.



Professional Services

Adding value through innovation in service delivery.



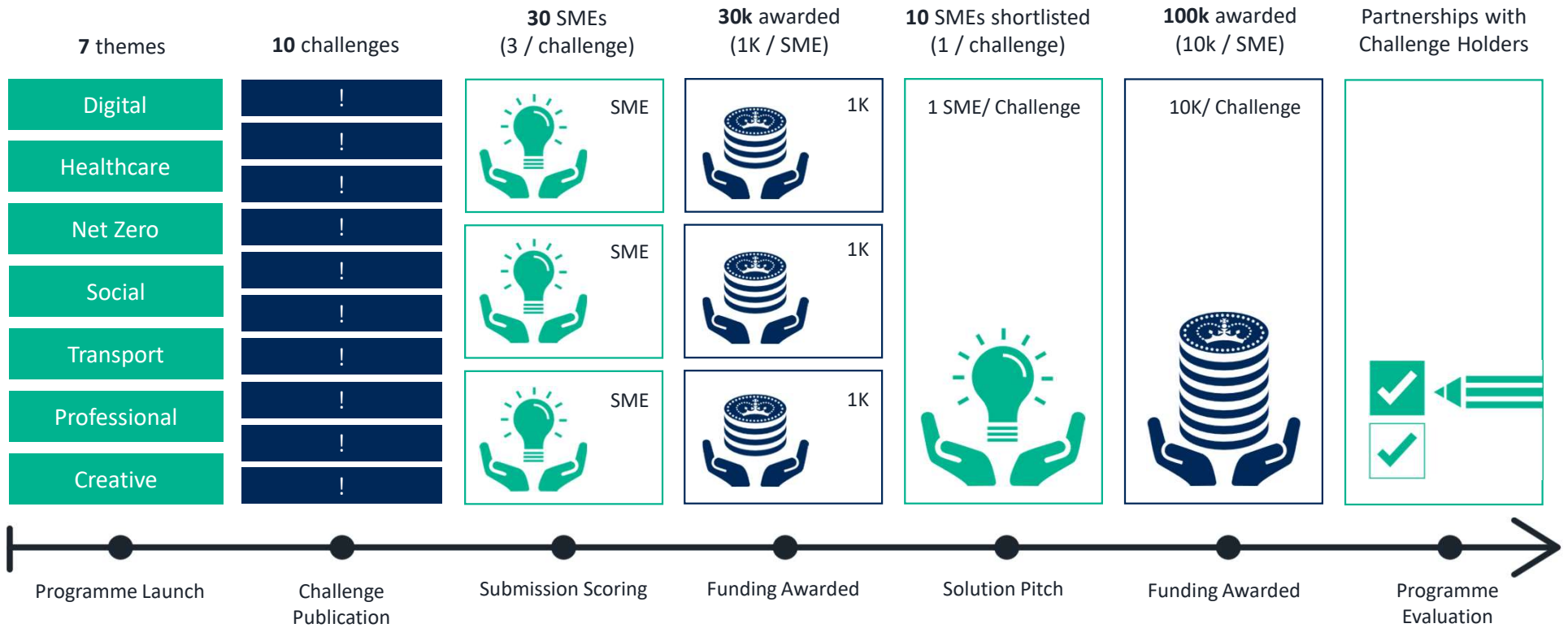
Creative Industries

Application of design, arts and other creative practices.



Innovations Challenges - Funding Process

£130,000 to be awarded to 30 SMEs




Introducing Tees Valley Combined Authority

Jackie Noteyoung

Group Procurement & Purchasing Manager



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Tees Valley Combined Authority (TVCA)

TVCA is committed to fostering economic growth and promoting equity within the region.

Focus on Economic Growth & Equity: TVCA aims to empower small and medium enterprises (SMEs) to drive social value initiatives, leveraging their deep connections to local communities.

Importance of Social Value: encompasses social, economic, and environmental benefits, addressing local needs such as job creation, service improvement, and well-being, supporting long-term growth and sustainability.

Procurement Impact: Social value now accounts for 20% of procurement scoring.

TVCA's Goal: To reshape social value implementation, enhance SMEs' competitiveness in procurement, and provide support for their bids.



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Challenge Context

TVCA want to award more contracts to local SMEs to boost regional economic growth.

SMEs struggle to meet social value requirements, facing competition from larger companies.

The updated Procurement Act will enforce stricter social value criteria, requiring greater transparency.

TVCA is improving procurement by enhancing collaboration between project and procurement teams, using tools such as:

- National Social Value TOMS framework.
- Social value calculator in tender packs; procurement team handles evaluation due to knowledge gaps.
- Digital dashboard for tracking, VCSE-business matching service, and a community impact fund.

Any new solutions must align with these tools.



The challenge in a nutshell



Problem

SMEs struggle with social value requirements, losing out on contracts to larger companies.



People

There is a perception of complexity in the procurement process leading to a lack of SME engagement.



Process

Current processes are resource intensive and external engagement can be limited.



Progress

Increased understanding and communication of social value leads to increased impact and better outcomes.



The Challenge: People - SMEs

- **Knowledge and understanding** SMEs struggle with social value initiatives due to inadequate training and resources, limiting the quality of their proposals.
- **Unfocused impact:** A lack of understanding results in SMEs losing contracts with an over reliance on guidance from the TVCA or replication of measures from previously awarded contracts.
- **Networks:** There is a perceived lack of visibility and connection between SMEs, VCSEs and communities which limits the range of social value initiatives within procurement.
- **Missed opportunities:** SMEs miss tender opportunities, leading to decreased diversity in suppliers and local benefits.
- **Perception:** The perceived complexity of social value implementation deters SMEs from participating in tender opportunities, further reducing the diversity of suppliers.





The Challenge: People - TVCA

- **Submissions lack impact:** Poorly constructed social value propositions fail to address community needs, missing opportunities to reduce deprivation and inequality. Outcomes should clearly link economic, social, and environmental impact to contracts.
- **Challenges in generating impact:** With current redevelopment and implementation of social value frameworks, TVCA wishes to increase impact and improve the traceability of social value outcomes.





The Challenge: People - VCSEs

- **Relationship between VCSEs and SMEs:** There is a perceived disconnect between SMEs and VCSEs that leads to the poor design of programmes and low impact outcomes. SMEs tend to be unaware of existing needs within the VCSE sector which limits the opportunities to deliver community impact.
- **Impact of social value:** Current social value programmes can undermine VCSEs by being too generic and focused on short-term gains. Co-developing these programmes with VCSEs and involving businesses in planning would reduce pressure and improve impact.
- **Distribution of social impact:** Limited knowledge of social value in public procurement leads to an unfair distribution of social impact, disadvantaging local organisations in the Tees Valley.





The Challenge: People - Communities

- **Generic social value:** The current approach followed by SMEs creates outcomes that are uncoordinated, repetitive and do not meet the needs of communities which ultimately wastes resources on programmes that are less relevant. Investment should provide communities with the resources and motivation needed to become more self-sufficient.





The Challenge: People – Large Organisations

- **Lack of local knowledge:** These organisations tend to have a generic approach to social value within tenders that does not fit with community and local authority needs. They can lack local presence and networks, leading to delivery of social value as a box-ticking exercise.
- **Perception of social value:** Businesses can perceive social value requirements as a 'necessary evil' for procurement, focusing more on the potential publicity benefits generated by a wider approach as more targeted work would require more effort. However, poor quality social value programmes are harder to evidence and report which limits the contracts awarded to organisations.





The challenge: Process



CURRENT STATE

Before Tender

The tender proposal is developed by internal procurement teams in consultation with service suppliers. Information sessions are held with local supply chains to grow social value understanding, clarify requirements and signpost.

During Tender

When tenders are published, specific documentation is shared to support submissions including a clarification period for further questions. This includes key metrics and targets for social value delivery.

After Tender

Social value is assessed for each submission by procurement teams and the successful applicant is awarded based on set targets. Social value is monitored throughout contract and requires evidencing to support the reporting to funders.



The challenge: Process



FUTURE STATE

Before Tender

Improved engagement with suppliers prior to tenders leads to clear understanding of requirements. Project teams behind tenders are involved in the procurement process supporting with key information about the social value needs for each contract.

During Tender

Guidance and support are efficiently delivered to SMEs, ultimately increasing the number of successful submissions. Project and procurement teams collaborate on the refinement of the desired social impact, with project teams also participating in the clarification process.

After Tender

Clear communication of social value expectations leads to higher-quality submissions and more meaningful reports. Suppliers provide regular updates on delivery. Project and procurement teams jointly assess submissions, monitor contract delivery and address any shortfalls. Feedback to suppliers is constructive and easy to understand.



The Challenge: Progress

Efficient Communication - The procurement team spends less time-sharing information, communication is streamlined, clear and effective. Internal teams can redirect resources towards other priorities including more engagement of internal and external stakeholders.

High Performance Social Value - Contract requirements and measurement are clear and ensures consistent delivery of promised social value, making it integral to contract compliance and outcomes.

Clear Reporting on Social Value - Enhanced contract management and monitoring improves evidence gathering, enabling clear reporting and the sharing of success stories that benefit both TVCA and suppliers.





Scope for products and services



OUT OF SCOPE



IN SCOPE

Your solution should not be:

- A matching service between private and voluntary sector.
- A dashboard or system linked to social value activities and reporting.
- Development of funding systems dedicated to community impact.

Your solution should:

- Be a coordinated evidence-driven solution - supporting more targeted procurement for higher impact.
- Support the development of awareness and skills about social value for supply chains.
- Grow internal knowledge about social value to support with the adoption of frameworks.
- Develop awareness of social value frameworks and opportunities within the VCSE sector.
- Help grow networks and connections between VCSEs and SMEs.



Social Impact Challenge

Application Deadline:	Thursday 10 th October 5pm
Phase 1 Application Review Panels:	w/c 14 th October
Grant application outcome notification:	w/c 14 th October
Phase 2 Pitch:	w/c 9 th December
Project close:	31 st March 2025

Questions?



Thank you

Sign up to the
Social Impact challenge:



<https://bit.ly/TV-CHALLENGES>

Register your interest to be notified of
future challenges:



<https://bit.ly/TV-IC>