

Recording Spend with Suppliers

Why do we consider spend with supply chain?

Economic Benefit/Improvement is a core Social Value outcome for and clients and is a central Theme to both The existing Social Value Model (PPN06/20) and new Social Value Model (PPN002).

Through the IES, **The Impact Evaluation Standard enables you to capture ALL of the economic benefit created through your supply chain spend:**

LOCAL Spend

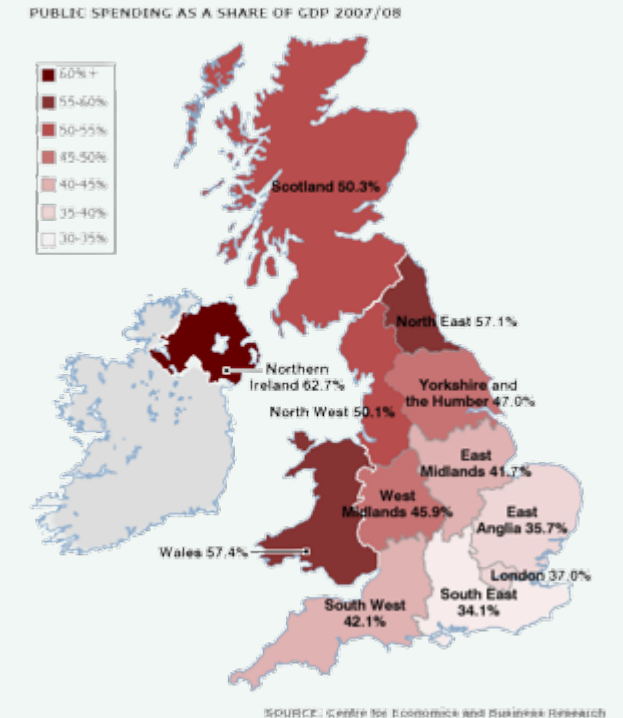
NON-LOCAL Spend

VCSE Spend

Spend with Start-Ups and Mutuals

An example if you're capturing local and non-local spend:

If you have a £10M project and you are spending £7M of this on supply chain, but only £3M of that is spent locally to the project, you are not capturing all of the economic benefit you are bringing to other areas through spending another £4M.



How it works

FIRSTLY: Allocate all your supplier spend against LOCAL or NON-LOCAL

Metric Code	Metric Name	Unit of Measurement	Proxy/Output Only/%	2025 Proxy Value
IM120*	Total value of contract opportunities awarded to all suppliers (totalled in your Thrive System from 2 below)	£	Gets rolled up from 2 below	N/A
IM121	Total value of contract opportunities awarded to NON-LOCAL suppliers	£	Proxy	£1.40
IM45	The value of contract opportunities awarded to LOCAL suppliers	£	Proxy	£1.40

THEN: Record any spend with Start-Ups, MSMEs and VCSEs under **ONE** of the following

IM47	The value of contract opportunities awarded in £ to Start-ups	£	Proxy	0.23
IM48	The value of contract opportunities awarded in £ to Small & Medium Enterprises (MSMEs)	£	Proxy	0.23
IM49	The value of contract opportunities awarded in £ to Charities, Social Enterprises & Voluntary Organisations (VCSEs)	£	Proxy	0.60
IM50	The value of contract opportunities awarded in £ to Mutuals	£	Output Only	N/A

Key point: These proxies are **ADDITIONAL** to the total spend proxy. For example, it is permitted to include all your MSME spend within IM121 or IM45, and then include it again at IM48.



Practice example

Total Contract Value = £10M
£7M of £10M = spent on supply chain

	Spend Location	IES Metric	Spend Amount	IES Proxy Value	Social Value
Step 1: Local and Non-Local spend	Total Spent Locally	IM45	£3M	£1.40	£4.2M
	Total Spent Not locally	IM121	£4M	£1.40	£5.6M
	Total spend on suppliers		£7M (local + non-local)		£9.8M
Step 2: Business Category (Start up or MSME or VCSE)	Total spend with SMEs	IM48	£2.5M	£0.23*	£575,000
Step 3:	Total Social Value (Economic Benefit) Claimed				£10.375M

*MSME spend triggers an uplift of £0.23 per £ spent

