

## **Achieving Social Value**

### **Paper from Community Works to the Social Value Scrutiny Panel**

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#### **A note from Community Works**

Creating Social Value through understanding what is 'valued' by communities and developing tailor made local solutions is fundamental to the city's third sector<sup>1</sup>. We welcome taking part in the Scrutiny Panel process of articulating, debating and shaping what can be valued and how such value can be created for local communities. In turn we hope that this can be embedded in commissioning and procurement practises which recognise wider social, economic and environmental contributions that benefit everyone.

It would be foolish for us not to recognise the challenging environment we are all operating in. But to only focus on reducing public spending and cutting regulation and bureaucracy without thinking about creating Social Value would seem to miss a trick. We need now more than ever for our local residents and third sector to be active, healthy and resilient so that there continues to be a response to the increasingly diverse patterns of need in the city.

Community Works believes that the Scrutiny Panel has an ideal opportunity to consider how to join up public policy and delivery. Moving beyond narrow fiscal based interpretations of value for money, Social Value based commissioning frameworks can ultimately recognise and champion social outcomes and resident involvement and their value to Brighton and Hove.

Social Value recognises that outcomes can be generated by the private sector, the third sector, informal community networks and well as by the public sector. Community Works works towards this end and helps any organisation or individual across the city make a difference to local lives and issues. It can be community groups and voluntary organisations and volunteers to businesses and public sector organisations. Anyone can come to us to give their time, expertise and energy towards making the city a better place for everyone.

#### **Food for thought - Social Value Examples**

NAVCA<sup>2</sup> suggests that "Social Value requires commissioners to look beyond the primary outcomes for which services are commissioned to secondary, and potentially, tertiary benefits". They use the following examples of commissioning intentionally for social value-added:

- *A mental health service which employs people with a history of mental health problems to help deliver the service. The social value of this commissioning process amounted to improved wellbeing for the latter through enhanced job prospects and reduced social isolation.*

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<sup>1</sup> Third Sector Definition: "With its roots based with the voluntary and community sector, the term is now being used widely to include social enterprises, networks, residents' and tenants' associations, co-operatives, mutuals and includes organisations that provide public benefit and are managed by its members". Source: Taking Account 3

<sup>2</sup> NAVCA Briefing 1: Introduction to Social Value

- *In a re-tendering of a furniture contract for supported accommodation, social value was provided by the contractor establishing a base in a deprived community and employing staff and engaging volunteers from that community.*
- *A Housing Arm's-Length Management Organisation contracted a private sector company to undertake repair work. The successful contractor offered social value in the form of promoting careers in construction and trades to local schools, giving a commitment to employing local apprentices and working in conjunction with local communities.*

Other examples are available from Social Enterprise UK<sup>3</sup>:

- *An NHS trust commissions a patient group to plan and run a series of consultation events. The patient group can then use its profits to increase its beneficial activities in the local community, rather than an events company that doesn't have local roots using the profit elsewhere or giving it to their shareholders.*
- *A Council re-tenders a 7 year contract for transport services including Special Educational Needs and adult day centre transport. They include a question in the tender (weighted at 10%) asking bidders to demonstrate how their model aids efficiencies and adds value. It was won by a social enterprise with a focus on increasing access for the most marginalised and creating employment opportunities for those furthest from the labour market.*

Further examples from the Cabinet Office<sup>4</sup> include:

- *A Council tenders a £150 million housing repairs contract and uses a consultation process to fully develop social value considerations. Prospective suppliers produce innovative ideas that add extra value to the service. A significant response from providers, proposes a range of outcomes including: Providing energy efficiency advice for residents; Initiatives that target fuel savings for customers; DIY skills workshops for residents; Neighbourhood improvement projects; Early-stage incubation for social enterprises and Curriculum and literacy support in schools.*
- *A Council tenders for a delivery partner for a Green Deal programme. The process, informed by the council's Social Value Policy, resulted in a contract which in addition to providing the Green Deal energy efficiency service itself, delivers additional value through creating supply chain opportunities for local SMEs and VCSEs, encouraging its business partners to invest in new green energy facilities, and engaging schools and young people in energy efficiency.*
- *A Council tenders for a new banking services contract. The assessment of bids was weighted in favour of service quality, with 60% of the assessment criteria based on quality, and the remaining 40% allocated to price. Nevertheless, the winning bid enabled the council to net an annual saving of 26%, whilst securing additional social value outcomes proposed by the bidder. The proposals included work with local schools and colleges to develop students' employability and money management skills, creation of new apprenticeships and partnership working with local stakeholders to improve employment and social inclusion outcomes.*

<sup>3</sup> SEUK Public Services (Social Value) Act 2012 – A brief guide

<sup>4</sup> HM Government The Public Services (Social Value) Act 2012: One Year On

**The challenges and potential solutions as Community Works sees them**

Through our support and development work with the local third sector and other strategic connections we hold we have created a set of helpful bullet points by way of background to some of the key challenges. In the table below we have also then suggested potential solutions.

<u>Key Challenges</u>	<u>Potential Solutions</u>
<p>The concept of Social Value has no single authoritative definition and there is no national perspective as to how the implementation process works. This is both an opportunity to shape what we would like to see locally but also invites confusion and unhelpful interpretation.</p>	<p>Set a clear definition of Social Value locally and a vision of the kinds of value that could be unlocked for local people whether they are a service user or a resident.</p> <p>Creating Social Value pages on the newly revamped Council website that are available to everyone whether they are a Council Employee, Resident or potential provider could add to the cross sector approach.</p> <p>Another useful resource is <a href="http://socialvaluehub.org.uk/">http://socialvaluehub.org.uk/</a> which frames the Social Value agenda neatly.</p>
<p>Social value in the context of commissioning remains very much a work-in-progress. With the voluntary and community sector, commissioning social value has largely used the prospectus model which has been helpful however, without some clear underlying principles and local policy we are concerned it may fall off the priority list.</p>	<p>The creation of a Social Value ‘Policy’ for BHCC could set a central direction which can then be championed across Council departments. The statement should recognise both private and third sector provision.</p>
<p>The Social Value Act tells us that Social Value will be different for each contract or agreement but there is a lack of clarity over how best to determine what is possible within initial pre-commissioning processes.</p>	<p>A renewed statement about the Council’s view on commissioning would be helpful at this point as achieving social value goes very much hand in hand with commissioning and procurement practises.</p> <p>Refreshed guidance for all staff who commission (they may not always have the title of Commissioner) on when they can and can’t engage with potential providers and what they can and can’t do under the law would be helpful.</p>
<p>Co-production and co-design to determine social value is key but the understanding of, skills and levels of commitment to co-production and co-design are varied.</p>	<p>A glossary with agreed definitions could be produced.</p> <p>We could also see social value for a given contract being defined during the specification development, in consultation with users and then weighted accordingly and assessed with service user input.</p>

<p>With no legal obligation to seek Social Value and the European Union only applying it over a certain threshold, we think actively seeking social value will require strong champions, leadership, engagement and communication if good practise is to be embedded.</p>	<p>'Achieving Social Value' could piggyback the BHCC Living Our Values Everyday work that has recently been launched. We think a strong internal marketing plan led by Councillors and Senior Officers will be helpful.</p>
<p>There is no cross sector sign up to what good practise around social value might look like, therefore in many ways it lacks a vision.</p> <p>However, as a great starting point the CCG has already taken a paper to its Board who have signed up to the principles of embedding social value in all their commissioning. They also use the prospectus model when commissioning the VCS.</p>	<p>The marketing plan mentioned above could also include external engagement work with cross sector partners to realise the vision and role of social value.</p>
<p>It feels like there is confusion around language and terminology amongst all sectors in the sphere of social value. Questions also emerge about the relationship between social value and social capital, and the differences between social value and community benefit. Often these types of words are used interchangeably and can mean different things to different people; it would be helpful to have a clear glossary.</p>	<p>A plain English glossary of terms used around Social Value, Commissioning, Procurement and Monitoring and Evaluation would be really helpful. It is then a touch stone document that all local audiences can use to inform their own practise but also to hold a shared meaning that everyone is confident in.</p>
<p>What communities place value on and how such value can be created may not be what funders or commissioners would seek to resource in the first instance; we wonder how this tension might be managed.</p>	<p>Reinvigorating the commitment to engaging service users, their carers and organisations in shaping the services that are then made available would be helpful. The Community Engagement Framework could be refreshed to incorporate the commitment to social value, which would build on BHCC's more current Communities and Third Sector Policy..</p> <p>Building on the work of NAVCA to 'look beyond the primary outcomes for which services are commissioned to secondary, and potentially, tertiary benefits' would also help Commissioners think creatively.</p>
<p>Members of the public or 'non specialists' often struggle to understand what measures of 'value' are if they aren't plausible and comprehensible. This then makes it more difficult to educate the public about the significant choices that will need to be made and how outcomes are achieved.</p>	<p>Always use plain English in this arena that explains why BHCC taking a social value approach will bring added benefits. BHCC needs to be clear on what 'value' is most helpful to the city, so it can be targeted effectively and not just used to dress up a bid but can't then be implemented.</p>

<p>The weighting of social value is a significant developmental theme if commissioning and procurement approaches are to be seriously used for the benefit of people and the planet.</p>	<p>We believe ‘weighting’ social value within commissioning and procurement processes is a significant nut to crack. Particularly whether it is expected to be included in each contract, whether it is prescribed centrally or on a contract by contract basis. The scrutiny panel should pay particular mind to this aspect.</p>
<p>Unlike the private sector, which has widely understood monetary measures like profits and stock markets there are no universal standards for measuring and assessing value in the public and voluntary and community sectors. Social value would need to be measured and assessed in a way that all partners understand, buy into and have reasonable technical skills in.</p>	<p>Developing a joint cross sector workforce development programme and communications campaign, including the University(s) that identifies the right language, monitoring and evaluation tools and processes that all sectors believe in and trust would help improve partnership working tremendously.</p>
<p>In the context of significant cuts it will be understandably difficult to prioritise policy resource and officer capacity to implement the above recommendations, which are arguably necessary to ensure BHCC maximises the opportunities available through the Social Value Act.</p>	<p>There could be a clear business case founded on the additional value that can be created or maximum value for every pound spent but also that achieving social can benefit everyone in the city and the planet.</p> <p>Andy Winter, CEO of Brighton Housing Trust, identifies potential cost savings in his latest blog that emphasises service users co-creating and co-designing their own services. To avoid often excessive ancillary costs he suggests a new commissioning model ‘which would see councillors and one or two senior officers identifying an issue, specifying an outcome, and setting a budget’. The outcomes specified could include Social Value outcomes. This would seem to fit with the decreased capacity in the public sector around commissioning and the need to do things in a more targeted and simpler way.</p> <p><a href="http://andywinterbht.wordpress.com/">http://andywinterbht.wordpress.com/</a>.</p>

**A final note...**

Community Works has long played a significant role in providing information, advice and guidance to both BHCC and the third sector around commissioning, grant giving and procurement. And we welcome this opportunity to take part in the Scrutiny Panel to further our own development, improve our knowledge base and design potential solutions.

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