

Social Value

A summary for the Voluntary and Community Sector in Hertfordshire

Introduction and Rationale

A Connect Hertfordshire working group of VCS representatives was set up in 2016 to consider how to support the Voluntary Sector in identifying and demonstrating Social Value and to develop points to raise in dialogue with the public sector about how it commissions and procures for Social Value. A paper in April 2017 summarised these views and made recommendations. This has been updated to create a current Position Statement on Social Value, which is recommended as a supplementary document to this summary.

The working group concluded that a summary about Social Value as a resource for the Voluntary and Community Sector would be useful, hence this document.

Contents:

1. Definition: What is social value?
2. When should it be applied?
3. How should it be applied?
4. What does Social Value look like in Commissioning Practice?
5. For Providers: How can Social Value be demonstrated in Practice?
6. Sample social value questions.
7. Hertfordshire Corporate Plan and Vision 2017-21
8. Partnerships: A priority in Hertfordshire
9. Examples of other Priorities that may be relevant for VCS consideration of Social Value in Hertfordshire
10. A Glossary of terms helpful to understand Commissioning & Social Value

1. Definition: What is social value?

Social Value in commissioning and procurement aims to identify and secure benefits from public investment.

The Connect Hertfordshire working group commends the definition of Social Value within commissioning that was provided by Chris White MP, who led the campaign in Parliament to introduce legislation on Social Value:

“We mean ‘value’ not in its narrow (financial) sense but in its true sense – recognising the importance of social, environmental and economic well-being across our communities and in our lives”

– Chris White MP

Social Value creates a framework for the mindset of thinking about how everything we commission can generate wider benefit for the community.

The Public Services (Social Value) Act, 2012 which came into force on January 31st 2013 introduces a statutory requirement for all public bodies and all public services to have regard to **economic, social and environmental** well-being in connection with ‘public services contracts’ within the meaning of the **Public Contracts Regulations 2015**.¹

Social value involves looking beyond the price of each individual contract or the cost of a service to look at the social, economic and environmental benefits/outcomes that could be available to a community. All public bodies are asked to review, prioritise and redesign how its services can be delivered to obtain social value.

Any Social value impact has to be ‘relevant and proportionate’ to the services being procured, linking to the Council and partners priorities and goals.

The bidder making the optimum social, environmental and economic impact should receive an enhanced score, so long as the commissioning process asks for it appropriately and recognises it accurately. The Position Statement on Social Value (produced by the Connect Hertfordshire working group following extensive consultation with the voluntary sector and dialogue with Hertfordshire County Council) recommends how commissioners and providers can work together to make best use of the Social Value legislation.

2. When should it be applied?

Social value works for all, encouraging and delivering service redesign/co-design, innovation & savings:

Commissioners	are encouraged to recognize the interdependency between residents, communities, organisations and services,
Users	advise and contribute to the design of services,
Providers	can use it to inform and improve their work and business.

3. How should it be applied?

Social value can be applied to achieve **economic, social and environmental** benefits and these will vary across projects and contracts. It is unlikely that a ‘one size fits all’ approach will maximise social value. Commissioners should review what they are commissioning to establish what level of social value is appropriate/relevant.

¹ <http://www.legislation.gov.uk/ukxi/2015/102/contents/made>

Commissioners may examine how social value can be delivered as part of:

The commissioning process	including market consultation with suppliers, service users and other stakeholders prior to the tender, including both the tender process, specification and service design
The procurement route	including through the commissioner's choice of route, e.g. it could be beneficial to use a light touch regime, competitive dialogue, PQQ, innovation partnerships (intended to enable the procurement of services that cannot be procured through current options available)
Contract Monitoring	Proportionate monitoring of the progress towards the social value identified in the contract once awarded

4. What does Social Value look like in Commissioning Practice?

Some best practice examples are listed here:

i) It should be relevant and proportionate

Social value gains should be relevant to the contract and not part of a general exercise.

The specification should determine broad principles of social value and

- Identify what the market can reasonably be expected to deliver
- Request bidders to identify how they can contribute to identified priorities

Durham Council obtained additional financial services support as part of a tender for banking services.

The Council talked to the provider market (Banks) and established that the required social outcomes in terms of financial education and support for local credit unions could be provided.

– Cabinet office Social value act review P30

ii) Taking steps to avoid inadvertently excluding certain types of providers or actively aiming to grow and strengthen particular kinds of supply markets

Some Councils want to develop their supplier base or promote the local economy, perhaps wishing to strengthen the capacity and resilience of the SMEs and/or the local voluntary and community sectors, grow local employment or develop community engagement.

Nottinghamshire County Council – developing micro enterprise

A project set up to increase the number of local providers offering care and support in Nottinghamshire, creating a local market to meet the needs of personalisation. Micro-enterprises deliver care or support services with no more than five paid or unpaid full-time equivalent workers and are independent of any parent organisation.

iii) How Social value is measured in evaluating bids

Social value will usually be part of the quality element of the contract evaluation.

Durham council examined the barriers that are face by SMEs in bidding for contracts. This led to specifications that:

Encouraged sustainably sourced materials

Amended financial turnover and credit score thresholds

Divided contracts into smaller lots that allowed SME, voluntary and new organisations to offer specialists service – applied to learning for adults and to local transport services

iv) Promoting Community services

Essex County Council – reducing bureaucracy in personal budgets

The introduction of a self-confirmation model that allows social workers to sign off on assessments they do, speeding up the delivery of care packages and personal budgets to service users.

Previously, all assessments were referred to the supervising social worker, team manager or, in some cases, senior management staff for confirmation.

Barnet Council – Community offer team

Established in April 2014 the team find community-based alternatives to social care packages, including ways of helping people live independently in their own homes, in order to save the council money.

The team of eight comprises two social workers, three assessment and enablement officers, two occupational therapists and one telecare adviser.

5. For Providers: How can social value be demonstrated in practice?

A contract specification should allow providers to identify approaches that strengthen the economic, social or environmental benefits achieved through the way in which the service is provided and support the commissioners' priorities.

Providers could demonstrate for example, how their approach would generate benefits such as:

- Employment creation
- Youth employment
- Training/volunteering
- Community improvements
- Environmental improvements
- Health improvements
- Crime/ASB reduction

The commissioner can ask providers to identify specific opportunities e.g. apprenticeships or increasing take-up of services.

Example of Take Up of Services:

Newham public health wished to establish why a smoking cessation service delivered in a mosque by professionals who were not known to the local community was not working as expected.

The local community identified that the service would be more likely to be taken up if the advice was delivered by members of the community. This approach to service delivery resulted in a 50% drop in smoking.

6. Sample social value questions

Below are examples of questions that ask suppliers how they will deliver against the relevant outcome(s) as part of a procurement selection exercise.

a. Bulky Household Waste Service

Describe your proposals to assist in the Council's vision for employing local people within the contract.

In particular you should describe your proposals for:

- Generating sustainable employment and training opportunities for unemployed people for residents (providing an indication of how long local residents sustained their jobs)
- Providing apprenticeships and / or training opportunities for residents
- Promoting supply-chain opportunities to SMEs (Local spend)
- The development of skills in your existing workforce
- Minimising the environmental impact of capital projects by using innovative employment practices
- Percentage of your supply chain, on specific projects, that have originated in the area of the project work

What Environmental Initiatives do you propose to undertake over the length of the contract that will minimise the environmental impact of the operation?

b. A Design and Build Project

The Council proposes to set ambitious targets for local spend within a 10 and 20 mile radius.

What would your approach to local economic benefit be in terms of local supply chain and apprentices/training opportunities?

c. Special Educational Needs Transport

Due to the nature of the work involved with delivering this Special Educational Needs Service for children, it would be preferred if local suppliers were awarded the contracts/routes being tendered.

- Are you a local supplier?
- Through being awarded contracts, is it likely that you are able to offer more employment opportunities to local residents?
- With reference to the Information and Instructions to Bidders document, please demonstrate how you can deliver against any other social value outcomes identified.

d. Various schools' works tenders

What would your approach be to local economic benefit, in terms of local supply chain and apprentice/training opportunities?

7. Hertfordshire Corporate Plan and Vision 2017-21

Consideration of the Hertfordshire Corporate Plan and Vision is helpful in order to inform any VCS group or organisation's identification of possibilities for adding social value to work in Hertfordshire.

Opportunity to Thrive

- A **cleaner and greener** county
- More **recycling** and re-use
- Children and families getting the **personalised help** they need
- Good **school places** for every child
- People are able to take **responsibility** for themselves and their families.

Opportunity to Prosper

- A **strong economy** with **successful businesses**
- Reliable **public transport** services
- **High speed broadband** across Hertfordshire
- More young people in **education**, employment or training.

Opportunity to be Healthy and Safe

- Joined up **health and social care** services
- Effective procedures to respond to **emergencies**
- **Healthier lifestyles** encouraged through healthy eating, stopping smoking and substance abuse support
- More people supported to live **independently**
- People who need care able to **choose** and control it.

Opportunity to Take Part

- Residents making a more active contribution to their local area
- More volunteers.

<https://www.hertfordshire.gov.uk/what-our-priorities-are-and-how-were-doing/corporate-plan-2017-21.aspx>

<https://www.hertfordshire.gov.uk/adult-care-services-strategy-map-2017.pdf>

For Social Care, the Hertfordshire 'Connected lives' approach sets a clear mandate for working with an individual and their community to provide support. This means Commissioners of social care have

a specific responsibility for creating community resilience and designing services co-productively in their tenders using Social Value.

Hertfordshire's Domestic Abuse Strategy 2016-2019, *Breaking the Cycle*, was produced by the Hertfordshire Domestic Abuse Partnership and partnership working between agencies and sectors is seen as central to delivering the strategy.

<https://www.hertfordshire.gov.uk/media-library/documents/herts-sunflower/hertfordshire-domestic-abuse-strategy.pdf>

8. Partnerships: A Priority in Hertfordshire

In addition to the Corporate Plan and vision Hertfordshire has a history of joint working and supports partnerships that can generate benefits, whether as better public services, stronger communities, growth of the economy, shared information and reduced costs.

Partnerships can bring the following benefits and offer social value by:

- Stimulating and delivering better, innovative services
- Improving community relations
- Supporting cost savings/efficiencies

9. Examples of other Priorities that may be relevant for VCS consideration of Social Value in Hertfordshire

Hertfordshire Health and Wellbeing Strategy 2016-20

<https://www.hertfordshire.gov.uk/media-library/documents/about-the-council/partnerships/hertfordshire-health-and-wellbeing-strategy-2016-%E2%80%93-2020.pdf>

The Marmot Review

<http://www.instituteofhealthequity.org/resources-reports/fair-society-healthy-lives-the-marmot-review>

10. A Glossary of terms helpful to understand Commissioning & Social Value

Activities

These are the things you do to create change for people, your local area, or the environment. Examples might be training, events or information leaflets.

Aims

Particular changes or differences the project or organisation plans to bring about for its users.

Baseline

Information about the existing position that the organisation is trying to change, allowing for before and after comparison.

Benchmark

A standard of achievement that a project or organisation has already achieved, which can be used to compare current achievements or as a target to improve.

Commissioning

The process of allocating resources to best meet needs. It's a decision-making process that most frequently involves the procurement (purchasing) of services by either grant-funding or competitive tendering (where potential providers bid to win contracts for delivery). Commissioning is carried out by 'statutory commissioning authorities' - local and national government and public bodies (like local councils or hospitals) who have a statutory responsibility to commission services to meet needs.

Contract management

The contract forms the framework within which the council and supplier can work together for continuous improvement and mutual benefit. The process of contract management involves monitoring the supplier's performance against the standards laid down in the contract conditions and specification.

Evaluation

Using information (see baseline, indicators, information & monitoring) to judge and understand the performance of a project or organisation.

Impacts

Broader or longer-term changes/effects that the project or organisation is trying to achieve or contribute to. They take account of what would have happened anyway, the contribution of others, and the length of time it takes for the outcomes to happen. Impacts often relate to a wider user group than that which you are targeting and usually involve other players. As a result, most reporting tends to be for outcomes, although there are often attempts to recognise and account for external influences on your results.

Indicator

Well defined information which shows what is being delivered by the project or organisation.

Information

Qualitative - information about the nature of what the project or organisation is achieving, doing or providing

Quantitative - information that summarises what the project or organisation is doing and how many, how long or how often this has been achieved or provided.

Inputs

All the resources a project or organisation requires to carry out its activities.

Milestone

A well-defined and significant step towards achieving an impact, output, outcome or target, allowing the project or organisation to track progress.

Monitoring

Collecting and recording information in a routine and systematic way to check progress against plans and to enable evaluation.

Outcomes

are generally changes in people, the environment, or the community, that result from your activities. For example, this might be: becoming more employable, or reducing crime in an area. Outcomes can also refer to keeping situations the same or preventing something negative from happening.

Outputs

refer to the direct results of these activities, for example, 100 people have achieved a particular qualification; or 1000 information brochures were delivered in a local area.

Procurement

The purchase of goods, works and/or services by a public sector organisation from another, external organisation to fulfil the wants and needs of stakeholders. The procurement department guidelines ensure that the best provider is awarded the contract, and the services are good value for money and of the required quality. There are strict rules that ensure that the staff 'procuring' services are separate from those 'commissioning', in order to ensure open and fair competition.

Resources

Everything a project or organisation draws on to carry out its activities. These will include people, equipment, money and the services it needs, can include time and knowledge.

Social Benefit

is defined as "the outcome of this process of achieving social value".

Social value

"Social value is the benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes."

Stakeholder

is anybody who can affect or is affected by an organisation, strategy or project. They can be internal or external.

Target

A defined level of achievement which a project or organisation sets itself to achieve in a specific period of time.