



VODG Social value toolkit

Mainstreaming social value in social care

VODG resources:
supporting improvement
in social care



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Introduction

Reducing health inequalities is a matter of fairness and social justice. In England, the many people who are dying prematurely each year as a result of health inequalities would otherwise have enjoyed, in total, between 1.3 and 2.5 million extra years of life¹.

Sir Michael Marmot

At the heart of not-for-profit care and support provision is a drive for social justice, a commitment to tackling the inequalities we see in our communities. Consequently we seek to design and deliver services in such a way that they empower individuals, support community integration and enhance quality of life. We place social value at the centre of how we work. As a result, not-for-profit providers have long argued that commissioners should pay greater attention to social value so that effectiveness, equality and sustainability are taken into account alongside efficiency.

The Public Services (Social Value) Act 2012² (commonly known as the Social Value Act) is a key step towards positioning social value firmly within the commissioning process by requiring all public sector commissioners to consider how they can improve the economic, environmental and social wellbeing of their local population when procuring service contracts. For commissioning bodies this creates an opportunity to use all procurement activity to reduce health and social inequalities. For care and support providers, it offers a route to recognition of their innovative practice and longstanding contribution to local communities.

VODG (the Voluntary Organisations Disability Group) is committed to promoting increased cooperation between commissioning bodies and providers to deliver maximum benefit to disabled people and their communities. We support our members to develop productive partnerships with health and local authority commissioners in order to support the delivery of high quality services and tackle health and social inequalities.

Jargon buster

Commissioning: the process that public bodies use to assess the needs of people at a strategic level, design the service to meet those needs, select a provider to deliver the service and then monitor delivery.

Procurement: the act of purchasing a service. This is one element of the commissioning process.

¹Marmot M (2010) *Fair Society, Healthy Lives*. Accessed: <http://www.instituteofhealthequity.org/projects/fair-society-healthy-lives-the-marmot-review>

²*Public services (Social Value) Act (2012)*. Accessed: <http://www.legislation.gov.uk/ukpga/2012/3/contents>

Introduction

How to use this toolkit

This toolkit will explain:

- The policy and legal framework for social value
- Different approaches to commissioning and procurement for social value

It will help you to:

- Develop a social value statement
- Consider how you might respond to a tender which includes social value
- Think about how you measure the social value you deliver
- Promote social value with commissioners

Throughout this toolkit you will find case studies from across the VODG membership which are used to illustrate how not for profit providers add social value through the delivery of public service contracts.

The contents list on [page1](#) is clickable to help you navigate the toolkit.

Introduction

What is social value?

Social value is an approach to commissioning which recognises the additional social, economic and environmental benefits to local communities over and above the direct purchasing of goods, services and outcomes. Levering most value for money from public spending by realising additional benefits from providers at no extra cost generates maximum benefit for the community.

Case study: Three Cs

Three Cs has an employment pool that enables the people they support to get jobs paid the London living wage.

All the jobs that could be put out to a temporary agency are put into the employment pool, which is open to people supported by the organisation. If it is a regular job, the person gets paid the London living wage. If it is a trainee role then the postholder is paid the national living wage. This has allowed people supported by Three Cs to earn as well as get on to an employment pathway, gain confidence, develop skills, and progress their careers.

A social value approach shifts the focus from the cost of a service to the overall value of the outcomes delivered. It offers significant advantages to not-for-profit providers by reducing some of the barriers which prevent them delivering to their full potential and offering opportunities for them to:

- Engage with commissioners at an earlier stage in the commissioning process
- Demonstrate and receive recognition for the added benefit they deliver
- Use innovation to their competitive advantage

Introduction

What are social benefits?

Social benefits are the outcomes of the process of achieving social value. They are the benefits to the community which are in addition to the main service which is being commissioned. They can take many forms and can include economic and environmental measures. They may be very tangible such as jobs for long-term unemployed people or they may be softer benefits such as involvement of groups of people who might otherwise feel entirely disengaged.

A mental health service is delivered by a provider that actively seeks to employ people with a history of mental health needs.

Tangible outcome: XX people with mental health needs employed.

Soft outcome: XX people say they are more confident in using the service, or experience improved wellbeing outcomes, because they are supported by someone who has insight gained through lived experience.



Policy and legal framework

The Marmot review³ drew together existing research into health inequalities in England and made a compelling social justice and economic case for action. Marmot argued that health inequalities are the result of social inequalities and are largely preventable. As everyone apart from the most advantaged experiences some degree of disadvantage, Marmot proposed that actions to address health inequalities should be universal, but proportionate to the level of disadvantage. Marmot also argued that environmental sustainability has health benefits across society and should be an important societal goal, not just an economic one.



Marmot's review identified the pivotal role of local government in reducing health inequalities. In 2012 the Social Value Act was passed, requiring public bodies to consider how the services they commission and procure might reduce inequalities at a local level. There is broad political consensus on this approach to public spending which indicates that it is likely to continue.

³Marmot M (2010) *Fair Society, Healthy Lives*. Accessed: <http://www.instituteofhealthequity.org/projects/fair-society-healthy-lives-the-marmot-review>

Policy and legal framework

The Marmot Review in brief

People living in the poorest neighbourhoods in England will on average die seven years earlier than people in the richest neighbourhoods.

People living in poorer areas on average spend 17 more years of their lives with disability.

The lower a person's social and economic status, the poorer the person's health is likely to be.

Health inequalities arise from a complex interaction of many factors – housing, income, education, social isolation and disability – which are strongly affected by a person's economic and social status.

Health inequalities are largely preventable.

There is both a strong social justice case and a strong economic case for addressing health inequalities. It is estimated that the annual cost of health inequalities is £36-40 billion through lost taxes, welfare payments and costs to the NHS.

To reduce health inequalities action is required across all the social determinants of health, including education, occupation, income, home and community.

Creating the conditions where people can take control of their own lives is key to addressing health inequalities.

Creating a sustainable future is compatible with action to reduce health inequalities through promoting sustainable local communities, active transport, sustainable food production and zero carbon houses, all of which have health benefits.

Disadvantage starts before birth and accumulates throughout life. This is reflected in Marmot's six policy objectives:

1. Giving every child the best start in life.
2. Enabling all children, young people and adults to maximise their capabilities and have control over their lives.
3. Creating fair employment and good work for all.
4. Ensuring a healthy standard of living for all.
5. Creating and developing sustainable places and communities.
6. Strengthening the role and impact of ill-health prevention.

Policy and legal framework

Who does the Act apply to?

The Act came into effect in January 2013 and applies to all English contracting authorities, including local authorities, government departments, NHS trusts, clinical commissioning groups (CCGs), fire and rescue services and housing associations. It also applies to agencies of the United Kingdom government based in Wales, but not bodies solely or mainly under the jurisdiction of the Welsh Assembly. The Social Value Act does not apply in Scotland, but there is a separate principle of sustainable procurement north of the border.



Implementation varies widely between sectors and organisations. One in three councils now takes social value into account in a meaningful way during the commissioning/ procurement process⁴. A further 45% of councils comply with the letter of the law in that they consider social value for contracts above the Official Journal of the European Union (OJEU) threshold, but in practice have few or no tenders which take account of social value. Meanwhile, social value is not yet universally embedded throughout the NHS or in commissioning by central government.

⁴Social Enterprise UK (2016) *Procuring for Good: How the Social Value Act is being used by local authorities*. Accessed: <http://www.socialenterprise.org.uk/uploads/files/2016/05/procuringforgood1.pdf>

Policy and legal framework

Social value in health services

Social Enterprise UK is working alongside CCGs and Health and Wellbeing Boards in twelve areas over three years to introduce commissioning for social value⁵. In each area the programme brings together senior leaders from the CCG, the local authority and the voluntary sector to address local health inequalities and deliver social value through health and care commissioning.

Delivering social value in health

Pilot sites

Calderdale

Halton

Milton Keynes

Salford

Reading

Haringey

North Tyneside

Leeds

Brighton and Hove

Lambeth

Oldham

Shropshire



⁵Social Enterprise UK website.
Accessed: <http://www.socialenterprise.org.uk/policy-campaigns/policy/delivering-social-value>

Policy and legal framework

What does the Act apply to?

The Act applies to public service contracts over the thresholds for the application of OJEU procurement rules⁶. These are currently (2016):

Central Government: £106,047

Other public bodies: £164,176

This includes all public service markets, from health and housing to transport and waste.

It is not compulsory for public bodies to consider social value for contracts below these thresholds but to do so is seen as good practice. Many local authorities are now setting their own threshold for applying social value, which is lower than the statutory requirement.



⁶Official Journal of the European Union *EU procurement thresholds 2016*. Accessed: <http://www.ojec.com/thresholds.aspx>

Developing a social value statement

Factors to consider

A social value statement is a key element in demonstrating your organisation's commitment to delivering social benefits. This will help you frame your social value activity within the context of your organisation's values, priorities and existing systems and demonstrate to commissioners that there is organisational sign-up to a social value approach. It should be a broad statement of your organisation's intent to contribute to reducing inequalities, the principles you will apply and the systems you will put in place to ensure that you deliver on both organisational and local objectives. It should allow for some flexibility to enable managers to tailor their social value offer to local need and commissioning priorities. In developing a social value statement you may find it helpful to consider:



- The relationship between social value and your corporate social responsibility (CSR) policy. Combining both into one document will demonstrate to commissioners that seeking social value is a core policy of your organisation; it may also make implementation more straightforward for staff.
- How to align your organisation's social value activity with your business planning processes.
- How to make social value a natural adjunct to your core business rather than an unrelated add-on.
- How specific are the social value requirements you are encountering in tendering processes? This will influence the extent to which your social value statement needs to be open to local interpretation.
- The process you intend to apply for deciding your social value priorities. Are you going to define social, economic and environmental goals at an organisational level and cascade them? Or is your organisational plan primarily a collation of social value goals which have been set at a local level? The extent to which you take a top down or a bottom up approach depends largely on how your existing processes work, what fits best with your organisational culture and the priorities of your commissioning authorities.
- How you intend to evaluate and report on social value activity.
- How you share good practice within your organisation about delivering social value.
- How replicable are ideas and practices across staff teams and geographical areas?

Developing a social value statement

Sample Social Value Statement

The Marmot Review evidenced that health inequalities arise from social inequalities in the conditions in which people are born, grow, live, work and age. It highlighted that action to address health inequalities requires actions across all social determinants of health by central and local government, the NHS, the voluntary and private sectors and community groups.

We will deliver social value across the Marmot priorities, wherever they are relevant to our services:

Giving every child the best start in life.

Enabling all children, young people and adults to maximise their capabilities and have control over their lives.

Creating fair employment and good work for all.

Ensuring a healthy standard of living for all.

Creating and developing sustainable places and communities.

Strengthening the role and impact of ill-health prevention.

In doing so, we are committed to the following principles:

Optimising the well-being of the people we support and promoting the sustainability of the communities in which they live.

Thinking long-term: investing in long-lasting outcomes.

Working with partners to deliver social value outcomes.

Exercising fair employment practices and contributing to socially inclusive communities.

Having a clear and up-to-date plan of how we will deliver social value throughout our organisation.

Delivering social value at no additional cost to commissioning authorities.

Measuring, evaluating and reporting on the social value we deliver.

Delivering a year-on-year increase in social value outcomes.

The actions we will take to deliver social value include:

Develop and deliver on an annual plan of how we will deliver social value.

Offer social value as part of tender submissions.

Embed processes for monitoring and evaluating social value within our systems.

Produce an annual statement of the social value we have delivered.

Provide staff learning and development opportunities on delivering social value.

Developing a social value statement

UN Sustainable Development Goals

Another way of thinking about social value, especially if you are combining social value and CSR in one statement or policy, is to structure your organisation's activity around the UN Sustainable Development Goals. These were launched in 2015 and have broadly the same scope as the Social Value Act but identify 17 specific goals. These are useful in breaking down the overall concept of social value into more manageable topics.

Transforming our world; the 2030 agenda for sustainable development⁷

Goal 1	<i>No poverty</i>
Goal 2	<i>Zero hunger</i>
Goal 3	<i>Good health and well-being</i>
Goal 4	<i>Quality education</i>
Goal 5	<i>Gender equality</i>
Goal 6	<i>Clean water and sanitation</i>
Goal 7	<i>Affordable and clear energy</i>
Goal 8	<i>Decent work and economic growth</i>
Goal 9	<i>Resilient and sustainable industry, innovation and infrastructure</i>
Goal 10	<i>Reduced inequalities</i>
Goal 11	<i>Sustainable cities and communities</i>
Goal 12	<i>Responsible consumption and production</i>
Goal 13	<i>Climate action</i>
Goal 14	<i>Conserve and promote sustainable use of life below water</i>
Goal 15	<i>Protect, restore and promote sustainable use of life on land</i>
Goal 16	<i>Peace, justice and strong institutions</i>
Goal 17	<i>Global partnerships for sustainable development</i>

⁷United Nations Division for Sustainable development (2015) *Transforming our world: the 2030 agenda for sustainable development*. Accessed: <https://sustainabledevelopment.un.org/sdgs>

Approaches to commissioning and procurement for social value

The introduction of social value is a way of using commissioning and procurement to inspire new thinking and deliver additional value for local communities. The Act requires the commissioning/procuring authority to consider:

- How what is proposed to be procured might improve the economic, social and environmental wellbeing of the area.
- How, in conducting the process of procurement, it might act with a view to securing that improvement.

There is therefore a focus both on what is being bought, such as how social value may be encouraged or required in contract specifications, and how the procurement process is conducted, such as how small enterprises may not be disadvantaged.

A significant change from recent commissioning practice is that the Act encourages commissioning authorities to consider value for money on a “whole life” basis, taking into account long-term economic, environmental and social benefits (or harm), rather than focussing on short-term returns or outcomes.

Secondly social value encourages commissioners to consider the whole service. Commissioning represents only one touch point in the life of a service; the Act allows the commissioner to consider whether there is potential to increase social value in the widest range of activities undertaken by the provider.

A commissioning authority which has fully embraced social value will consider it at each stage of the commissioning/ procurement process. This includes:

- Identifying opportunities for realising social value during the local assessment of need, stakeholder engagement and market analysis/ development.
- Embedding social value in strategies and commissioning plans.
- Incorporating social value into the procurement process: service specifications, tender questions and performance monitoring and evaluation.

Approaches to commissioning and procurement for social value

Case study: KeyRing

KeyRing is contracted by Oldham Metropolitan Borough Council to support adults in vulnerable circumstances to live independently. As part of the commissioning process KeyRing was contracted to use local suppliers, recruit local staff, pay the UK Living Wage (as defined by the Living Wage Foundation and distinct from the national living wage) and ensure that no less than 80% of contracted hours were delivered by staff **not** employed on zero hour contracts. This was monitored via returns to the local authority. Not only did KeyRing comply with these requirements, it also delivered the following social benefits:



34% of people supported by KeyRing volunteer their time within the town. They have reported improved physical & mental health, improved quality of life, increased self-esteem and confidence and reduced isolation as a result of volunteering. The experience of volunteering has helped one person gain an apprenticeship.



7% of people supported are in paid employment.



The service has created three apprenticeships: one in administration and two in social care.

KeyRing has recently been successful in an application to the Big Lottery Fund for a project to prevent people from falling into hardship, bringing £469,117 to the borough over the next 5 years.

The delivery of substantial social benefits has led to increased demand for the service over the last two years.

Approaches to commissioning and procurement for social value

The local context

There is no authoritative list of social benefits. This is because social value is best approached by considering what is beneficial in the context of local needs and the strategic objectives of the commissioning body. For instance, in one area supporting regeneration by buying local may be a priority while in another long-term unemployment may be a serious concern.

A comparison of the social benefits sought by commissioners with those offered by voluntary sector respondents found a significant degree of contrast between them⁸

Social benefits most commonly sought by commissioners	Social benefits most commonly offered by voluntary sector organisations
<ol style="list-style-type: none">1. Employment opportunities2. Apprenticeships3. Positive impact on the local supply chain	<ol style="list-style-type: none">1. Social cohesion2. Employment opportunities3. Reduction in carbon footprint/energy-saving

To score well on tenders, providers must align their social value offer with local priorities. The Social Value Portal⁹ includes a map of contracting authorities with attached social value policies and strategies. Individual contracting authorities should also provide details of their strategy and local priorities.

⁸University of Birmingham (2014) *Social Value Survey Report*. Accessed: <http://www.birmingham.ac.uk/Documents/college-social-sciences/government-society/inlogov/briefing-papers/2014/social-value-survey-report.pdf>

⁹The Social Value Portal. Accessed: <http://socialvalueportal.com/>

Approaches to commissioning and procurement for social value

Engagement with stakeholders

Case study: United Response

Following engagement with the community and voluntary sector, York City Council produced a specification for its Café West tender which included the consideration of air miles, food waste and employment practices. The charity United Response now delivers the service and generates added social value by offering work placements to individuals with disabilities.

A recent policy development to improve the effectiveness of commissioning involves a greater emphasis on consultation before and during the tender process in order to assess user need, understand the capacity of providers to deliver and to develop the market. In many areas commissioners are now embedding social value into the design of the service during this process. You can use these opportunities to engage

with commissioners at the pre-procurement stage, to influence the social value elements of the tender document and to ensure that commissioners understand the full range of innovation that you can deliver. However, in procurements which do not feature dialogue or negotiation, bidding organisations should take care to avoid canvassing the contracting authority with communications outside the formal rules of the procurement.

Approaches to commissioning and procurement for social value

Award criteria/performance obligation

There are two routes by which social value can be brought into a procurement process: award criteria and performance obligation. The primary difference is that award criteria are used to evaluate a tender submission and are therefore part of the decision about which provider is the successful bidder. Meanwhile, a performance obligation is a non-negotiable contract requirement which is not considered as part of the tender.

Award criteria is generally the route used when social value is directly relevant to the subject matter of the contract. Therefore, this is the approach which care and support providers are most likely to experience.

Award criteria

The criteria against which aspects of a bid's contents are scored. This evaluation and scoring directly affect the decision about which provider will be awarded a contract.

This route enables commissioners to test a provider's experience in delivering social benefits.

The award criteria should be clearly set out in the tender documents.

Provider responses to social value questions within the tender are evaluated in the same way as method statements.

The social benefits the successful provider offers within its tender submission become a contract requirement and are monitored as such.

Performance obligation

Performance obligation is a requirement in a contract that a provider will perform a specified task or activity.

Performance obligations are imposed and cannot be considered as part of the tender evaluation.

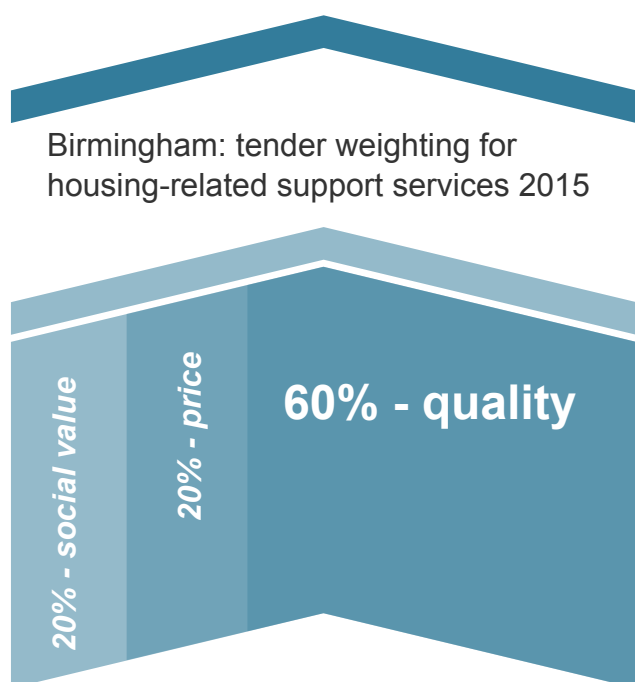
The importance of the social benefits associated with a contract, as minimum requirements will be explained within the tender documents.

Performance obligations are monitored as part of the contract monitoring process.

Approaches to commissioning and procurement for social value

Tendering

Social Enterprise UK have found that councils that have adopted a social value approach, give it a weighting of between 5% and 30% in tenders¹⁰. The weighting allocated to social value characteristics should be proportionate to their importance to the contracting authority. Where the weighting is outside the norm for the type of service being commissioned, the contracting authority should explain why it is adopting the weighting it has chosen.



Oldham social value procurement framework¹¹

Oldham has adopted a social value procurement framework to ensure that social value is considered in a consistent way. The framework includes the following themes:

- Jobs, growth and productivity
- Resilient communities and a strong voluntary sector
- Prevention and demand management
- A clean and protected physical environment

Each theme has one or more outcomes and a range of examples of what this means in practice for providers. Each procurement exercise and each contract includes at least one of the outcomes from the framework.

¹⁰Social Enterprise UK (2016) *Procuring for Good: How the Social Value Act is being used by local authorities*. Accessed: <http://www.socialenterprise.org.uk/uploads/files/2016/05/procuringforgood1.pdf>

¹¹Oldham Metropolitan Borough Council (2013) *Social Value Procurement Framework*. Accessed: <http://committees.oldham.gov.uk/documents/s36856/Appendix%201%20%20Social%20Value%20Procurement%20Framework.doc.pdf>

Approaches to commissioning and procurement for social value

Once the service specification has been finalised, the commissioning authority may hold a market engagement event to introduce the tender opportunity, process and contract arrangements. This is a further chance to ask questions and meet the commissioning/ procurement team.

Examples of social value questions in tenders



We estimate that there are currently 15,000 local residents who are actively seeking work or receiving employment support from the Department of Work and Pensions. Bidders are required to maximise work opportunities for the following groups of people: long-term unemployed individuals, people from BME communities and disabled people. Please demonstrate how you would assist the local authority in addressing this matter.



Describe your organisation's approach to corporate social responsibility and provide two case studies to support this.



What are your key objectives as an organisation in relation to sustainability?



Please state clearly the additional social value offer that you will provide during the life of the contract. Include timescales and outcomes to be achieved.



Describe how you bring extra value to this contract including how you will develop opportunities for additional funding to be brought to the local area.



Outline your evidencing, verification and evaluation methodology to demonstrate that the social value outcomes have been achieved.

Responding to tenders

How can you articulate social value?

Case study: Turning Point

Work can support mental health and wellbeing by affirming a person's identity and social status. People receiving support and treatment within Turning Point's substance misuse and mental health services are enabled and encouraged to become peer mentors and get involved in social enterprises. In 2015-16, 955 people left Turning Point's substance misuse services and went straight into paid employment.

Where commissioning authorities are implementing a social value approach, this offers you an opportunity to explain the contribution your organisation is already making and articulate your plans for the future. It is a chance to strengthen your position in bidding for contracts by communicating your social value proposition in a way that demonstrates your organisation's unique selling points. It is important to remember that this approach involves delivering additional benefits at no extra cost, so providers should not generally increase their price to reflect their social value offer.

The commissioning authority's social value priorities are an obvious place to start when responding to social value questions. You also need to consider your organisation's social value statement and priorities and the degree of congruence between these and those of the local authority. How compatible is the local authority's ask with your organisation's values, priorities and core service offering? To score well on social value tender questions you must ensure that your organisation's activity is aligned closely with local needs. It is worth noting that environmental outcomes are generally the lowest priority outcomes for commissioners¹², although they are often relatively easy and cost-neutral for providers to deliver.

¹²University of Birmingham (2014) *Social Value Survey Report*. Accessed: <http://www.birmingham.ac.uk/Documents/college-social-sciences/government-society/inlogov/briefing-papers/2014/social-value-survey-report.pdf>

Responding to tenders

Marmot Priority	Examples of social value areas for action
Giving every child the best start in life	<ul style="list-style-type: none"> Support parents with disabilities Support parents of disabled children Deliver a group-based parenting programme Support parents and children to access children's centres
Enabling all children, young people and adults to maximise their capabilities and have control over their lives.	<ul style="list-style-type: none"> Provide skills development and learning opportunities, particularly for under-represented groups Create fair employment opportunities for young people Increase children's safety Deliver sessions on careers in social care in schools and colleges Provide placements for students or other types of work experience Provide apprenticeships or pathways to employment Increase volunteering Training for existing staff Provide support in literacy and/or numeracy Increase people's control of their money Encourage people who would not otherwise vote to exercise their democratic rights
Creating fair employment and good work for all.	<ul style="list-style-type: none"> Provide employment opportunities, particularly for under-represented groups Reduce unemployment through targeted recruitment Support disabled people into employment Employ local residents Improve terms and conditions of employment
Ensuring a healthy standard of living for all.	<ul style="list-style-type: none"> Debt and welfare assistance advice Pay the UK Living Wage (as distinct from the national living wage); see www.livingwage.org.uk Reduce the gap between the highest and lowest paid Assist people supported in the community to reduce their utility bills
Creating and developing sustainable places and communities.	<ul style="list-style-type: none"> Involve disabled people in decision making processes Reduce anti-social behaviour Use fairly traded products Use environmentally friendly goods and services Use local suppliers to help facilitate local regeneration Use a green energy supplier Increase energy efficiency Maximise recycling Use green space to develop an accessible garden and or grow fruit and veg Encourage alternatives to car use
Strengthening the role and impact of ill-health prevention.	<ul style="list-style-type: none"> Support people to live independently Encourage activity to increase fitness Increase take up of eye tests, dental check-ups, etc. Build personal resilience and mental health protection Deliver initiatives to tackle loneliness Reduce avoidable hospital admissions

Responding to tenders

In addition to considering your own organisation's social value priorities and those of the commissioning authority, when preparing to bid for contracts it is recommended that you:

- » Gather evidence about the social benefits you are already delivering, both as part of and in addition to your core business.
- » Generate ideas for how you might create additional social, economic or environmental value at a local level.
- » Think about the relevance of the type of social benefit to the contract you bid for. For example, what additional benefits or outcomes might you generate for the people receiving a care and support service? Alternatively, where a high proportion of the contract value will be spent on staff, you could start by looking at how you can add social benefits through creating fair employment, for instance by guaranteeing interviews to targeted groups, offering apprenticeships or increasing the skills of existing staff.
- » Where possible, set out clearly the value for money that the social benefit can bring. The New Economy website¹³ is a good source of help by bringing together more than 600 cost estimates in a single place.
- » During both the engagement and tendering processes explain clearly to commissioners the full range of innovation you can provide.
- » Ensure that services will work well for the people who will use them by engaging with them in the service design process. If this is not possible prior to tendering, for instance if you are bidding for a contract that is currently in the hands of another provider, then state how you will involve people who use the service if you are successful in securing the contract.
- » Ensure that you are able to demonstrate how social value is embedded, monitored and reported within your organisation's structure and processes.
- » Finally remember that social value is just one factor. Each tender will still be assessed and scored on strategy, risk, financial management, cost and quality. Added social value is just one element of the assessment. It is important to make the most of it, but not at the risk of any of the other elements.

¹³The New Economy website.
Accessed: <http://neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/cost-benefit-analysis/unit-cost-database>

Responding to tenders

Case study: Certitude

Certitude is contracted to deliver an Activity and Resource Centre (ARC) for people with learning disabilities in Ealing. This service includes a group called Garden Angels who develop their practical horticulture skills through hands on work in the garden at the ARC. Certitude has delivered added social value by supporting the Garden Angels to provide gardening services to a number of other services and community spaces, offering opportunities for people to develop their skills, put them into practice and build their self-esteem and independence. The service has improved community cohesion, as local community spaces have become more pleasant places to gather in.

One of the Garden Angels “regulars” has also begun producing and selling chilli jam on a small scale from chillies grown in the ARC garden.

Case study: Bridges

Bridges is a partnership between Turning Point, Threshold and New Charter Homes which offers community and refuge services to people affected by domestic abuse in Manchester. Bridges has recently trained two groups of peer mentors who are now offering advice and support to women in Bridges refuge and in the community. Peer mentors have proven popular with Bridges clients because they offer support and advice from the perspective of someone who has been through the same challenges.

Social value outcomes, measurement and performance monitoring

Difficulties in quantifying and measuring social value have posed significant challenges to its implementation¹⁴. For instance social benefits may include increased social inclusion, employability, personal confidence or community cohesion. None of these are easy to quantify. Consequently the measurement and monitoring of social value is not fully developed¹⁵ and no council has yet published an evaluation of the savings made as a result of the Social Value Act.

The most widely established methodology for measuring social value is Social Return on Investment (SROI) and this is promoted heavily by the Cabinet Office and the Treasury.

SROI attempts to capture the wider social impacts generated by providers by selecting indicators, usually in consultation with people supported by the service, and then aggregating and translating these benefits into a cost ratio; for example, for every £1 spent £3 value has been attained. However the implementation of SROI carries significant cost implications and is complex to deliver, especially when providers already face substantial administrative demands for contract monitoring purposes.

An alternative approach to measurement involves the commissioning authority collecting evidence of the delivery of social value alongside existing contract monitoring data. The common types of evidence that are collected in this way include:

- Community connections
- Involvement of volunteers
- Involvement of service users
- Support for local businesses through the use of locally sourced products and resources
- Mobilisation of other resources or funding
- Use of environmentally sustainable resources

¹⁴Harlock J (2014) Third Sector Research Centre *From outcomes-based commissioning to social value? Implications for performance managing the third sector*. Accessed: <http://www.birmingham.ac.uk/generic/tsrc/documents/tsrc/working-papers/working-paper-123.pdf>

¹⁵Cabinet Office (2015) *Social Value Act Review*. Accessed: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/403748/Social_Value_Act_review_report_150212.pdf

Social value outcomes, measurement and performance monitoring

A third approach taken by some authorities is to ask providers to put forward their own performance monitoring methodology as part of the tendering process. The range of approaches generally offered by providers includes:

- Key performance indicators
- Use of distance travelled tools such as the Outcomes Star¹⁶
- Case studies
- Results of surveys of people supported
- Results of peer evaluation such as Quality Checkers¹⁷
- Estimates of financial savings generated
- A report at the end of the contract on achievements

It is important to ensure that your approach to performance monitoring is well-matched with your social value offer, both in terms of suitability and the amount of work involved. Whatever methodology is offered, it is important to remember that, if the bid is successful, this will become a contract requirement and therefore it is imperative to ensure that you have the resources and capacity to deliver it.

¹⁶Outcomes Star website. Accessed: <http://www.outcomesstar.org.uk/>

¹⁷Quality Checkers website. Accessed: <http://qualitycheckers.org.uk/home>

Social value outcomes, measurement and performance monitoring

Case study: Yarrow Housing

Yarrow is contracted to deliver social care for adults with learning disabilities in six London boroughs. As people with learning disabilities are particularly vulnerable to hate crime and physical and sexual abuse, Yarrow has worked with some of the people they support to co-train officers from the Metropolitan Police force on approaches to interviewing people with learning disabilities who are witnesses to or victims of crime. Training covers interview techniques and communication methods and includes role play.

The training means that the voices of people with learning disabilities are more likely to be heard in the criminal justice system, reducing the chance of their evidence being dismissed as 'unreliable'. It has also helped to dispel any pre-conceptions about disability that officers may hold and has promoted positive relationships between people with learning disabilities and the police.

Evaluation indicates that 90% of people with learning disabilities supported by Yarrow now see the police as 'friends' and are more likely to report a crime at a police station or approach the police if they have a problem.

Initially training was led by police trainers and Yarrow. However, today's training is hosted and led by people with learning disabilities.

Resources for provider organisations

The **Social Value Portal** helps your organisation measure, manage and report the social value you deliver.

<http://socialvalueportal.com/>

Social Enterprise UK provides advice to help charities and social enterprises understand and measure their social impact. Its **Social Value Hub** provides a range of free case studies, toolkits and guides.

www.socialenterprise.org.uk/

www.socialvaluehub.org.uk/

The **Inspiring Impact Hub** includes free tools and resources to help organisations measure their impact, including a number of unit cost databases.

<http://inspiringimpact.org/>

Social Value UK provides a range of tools about commissioning and measuring social value, including an introduction to SROI.

www.socialvalueuk.org/

www.socialvalueuk.org/app/uploads/2016/03/Starting%20Out%20Guide.pdf

The **Mystery Shopper Scheme** provides a route for providers to raise concerns about public sector procurement practices, including where they believe that commissioners have not complied with the Social Value Act. You can contact the Mystery Shopper service by emailing MysteryShopper@ccs.gsi.gov.uk or by telephoning 0345 010 3503.

www.gov.uk/government/publications/mystery-shopper-scope-and-remit

The Charities Evaluation Service, which is part of the National Council for Voluntary Organisations, offers a wide range of tools and resources on how to monitor and review service performance and delivery.

www.ces-vol.org.uk/

Prove and Improve is an on-line tool for demonstrating and improving the benefits an organisation delivers. It offers a quality and impact toolkit for use by charities and not-for-profit organisations.

www.proveandimprove.org/

UCL Institute of Health Equity publishes evidence on addressing health inequalities. Providers who are tendering for work in London may find it helpful to refer to their report on **health inequalities in London**.

www.instituteofhealthequity.org/home

www.instituteofhealthequity.org/projects/demographics-finance-and-policy-london-2011-15-effects-on-housing-employment-and-income-and-strategies-to-reduce-health-inequalities

Be an ambassador for social value

Where commissioning authorities are already committed to a social value approach they are likely to be holding engagement events to raise awareness, set local priorities and test the market. Providers who involve themselves with these events will have an opportunity to shape what social value means in the local area and this will ultimately be translated into the social value elements of tenders. Engagement exercises should be open to the local community so they may also offer an opportunity for the people you support to influence local priorities.

In areas where it is less developed, providers can advance social value through their existing relationships with commissioning authorities, for instance by asking about the authority's intentions regarding the implementation of social value and offering to help with defining social value priorities and criteria.



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Responsibility for any errors or omissions remains the responsibility of VODG.

VODG welcomes comments about our social value toolkit.

Please send your feedback to info@vodg.org.uk



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