

EMBEDDING SOCIAL VALUE

SYNOPSIS OF KEY FINDINGS

For the past two years Birmingham & Solihull Social Economy Consortium (BSSEC) has been delivering a Barrow Cadbury Trust-funded project aimed at supporting meaningful and 'do-able' approaches to implementing Public Services (Social Value) Act 2012.¹ This is an Act "to require public authorities to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes".

We have worked jointly with Birmingham City Council and other public service commissioners to support the implementation of social value, and have provided briefings, resources and free workshops for social enterprises and trading voluntary organisations to help improve their ability to compete within the terms of this new legislation.

KEY FINDINGS

1. Many local authorities have made good progress in putting in place practical arrangements to embed social value-based approaches throughout their commissioning and procurement procedures.
2. But they are not implementing social value as a stand-alone policy. Rather, it is being utilised as part of a wider response to the current pressures under which local authorities are operating – government spending cuts, decommissioning services, making efficiency savings, reducing the demand on services, and becoming primarily service commissioners rather than service providers. Efforts are also being made to align social value with existing corporate priorities, processes and key policy drivers and the following have all become central to shaping social value priorities amongst councils:
 - Targetted employment, apprenticeships and training opportunities.
 - Strengthening local economies and 'making the local pound work harder'.
 - Avoiding 'exporting jobs' as a consequence of buying outside of authorities' catchment areas.
3. Local authorities making the most progress on social value are taking bold approaches that go *beyond the minimum requirements* of the Act. Rather than applying social value only to service contracts above the EU procurement thresholds, which is all the Act requires, they are applying the legislation as widely as possible, to both services and goods, to all contract values, and to all providers.

¹ See <http://www.legislation.gov.uk/ukpga/2012/3/enacted>.

4. Evidencing and measuring social value remain the least developed parts of the process and most authorities (and social enterprises, for that matter) are adopting a 'wait and see' position on measuring social value. There are a number of reasons for this:
 - It is still very early days and few contracts have progressed to the point at which evidencing requirements can be reviewed or checked for effectiveness.
 - Providers and purchasers lack not just standardised methods for measuring and reporting social value, but also a shared language for articulating social value.
 - There is still some doubt regarding not just the type of evidence commissioners want, but also what they wish to measure and report.
5. Reduced staff capacity within local authorities also means that too little is being done to assess whether transferable evidencing and monitoring methods might already exist in other parts of their organisations.

Key issues for social enterprises

6. Many social enterprises don't know where to start in adopting a social value measurement method. They don't know what information to collect, what to measure, what information commissioners will find most meaningful, what method is most suited to their size and type of organisation, or what the costs of implementation might be. The bewildering array of courses, methods, tools, consultancy offers and proprietary systems purporting to measure social impact and social value make it virtually impossible to make a decision. Two recently launched websites alone contain hundreds of outcome measures, impact tools and reports.² However, the Centre for Citizenship, Enterprise and Governance (CCEG) is currently undertaking work to assess how public authorities are implementing the Act and by Autumn 2014 there should be an "official" UK social value portal which may include guidance and recommendations.³
7. For many social enterprises there is a problem preceding that of measuring social value – and this is *articulating* and *describing* their social value. Many social enterprises struggle to describe what they do and the social benefit they deliver. They lack a defined, agreed *corporate* statement regarding their social value that is understood and *used* by all staff at all levels throughout the organisation. Arriving at this is not an answer in itself but it is a good starting point and would help many to begin the process of identifying a suitable social value framework – including appropriate social value indicators and evidence – specifically for that organisation. Our experience suggests that smaller enterprises – say fewer than around 25 staff – are struggling because they lack adequate staff to be able to dedicate sufficient time and effort to social value and impact measurement.
8. There is a risk that a disproportionate burden of data-gathering and evidence will fall predominantly on the shoulders of suppliers. This would severely disadvantage smaller social enterprise and third sector providers (and smaller SMEs too). The Third Sector Research Centre recently published a report voicing precisely this concern.⁴ Whatever regimes for measuring and reporting social value local

² Inspiring Impact <http://inspiringimpact.org/measuringup/>, which is backed by the Cabinet Office, and the Social Value Hub <http://socialvaluehub.org.uk>, which is an initiative of Social Enterprise UK.

³ <http://www.cceg.org.uk>. Further information from Professor Olinga Ta'eed, Director CCEG, olinga.taheed@cceg.org.uk

⁴ See Harlock J, *From outcomes-based commissioning to social value? Implications for performance managing the third sector*, Third Sector Research Centre Working Paper 123 (June 2014). <http://www.birmingham.ac.uk/generic/tsrc/documents/tsrc/working-papers/working-paper-123.pdf>

authorities adopt must be proportionate and 'do-able' and should ideally be a joint effort between public service commissioners and the sector. Anything over-complicated or disproportionate is likely to erode rather than create social value. This makes continuing work to support social enterprises and trading third sector organisations in their social value practices of even greater importance.

9. Social enterprises and third sector organisations in Birmingham should take this early opportunity to sign up to acquire the Birmingham Business Charter for Social Responsibility.⁵ The Charter is still in its infancy and early adopters are likely to be able to influence both it and the subsequent monitoring that will be required from businesses reporting against their Charter action plans. While the Charter is not synonymous with social value, it has become Birmingham's dominant tool for contributing to social value. Social enterprises should get cracking and start signing up to the Charter – they shouldn't leave it to the private sector to lead on the Charter, as is the case at the moment.

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⁵ See <http://www.finditinbirmingham.com/feature/charter>.