

# Social value:

## Where we are and looking forward

Reports from two Social Value roundtable discussion events

12th October 2017 – for the social enterprise sector

15th November 2017 – for strategic partners

Reporting: Alun Severn, BSSEC

[www.bssec.org.uk](http://www.bssec.org.uk)  
[alun@bssec.org.uk](mailto:alun@bssec.org.uk)

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# EXECUTIVE SUMMARY

## X1.0 INTRODUCTION AND CONTEXT

Since late-2012 BSSEC has been working to support practical implementation of the Public Services (Social Value) Act 2012 – what has become known in shorthand simply as ‘social value’. This work has been made possible by financial support from The Barrow Cadbury Trust.

In drawing the project to a close, we organised two roundtable discussion events – the first for social enterprises; the second for strategic partners. Rather than simply looking to the past, we wanted these events to be an opportunity to look to the future of social value – to think about how social value might be extended and protected as a key public policy idea in the future. In an introductory presentation given at the start of both events, BSSEC reported the key findings of its work, noting the following in particular:

1. There has been good progress in utilising the legislation amongst local authorities but less traction in health (although some strong examples of good practice), central government departments, housing.
2. It is unfortunate that the legislation has been enacted against a backdrop of the deepest austerity measures in a generation. Consequently its use is not always proving as inventive or creative as we once all hoped. Indeed, to the degree that the legislation has become part of a more-for-less agenda, its use may not always even be entirely benign.
3. Awareness and understanding of the legislation is very mixed, depending on what part of the sector one looks at. For example:
  - Many commissioners are still unclear about the kind of social value they wish to achieve and how best to build this into procurement practice.
  - Many social enterprises continue to be confused and unclear about social value – some are even unfamiliar with the language of social value (this is especially true of newer, younger social enterprises). Some are under-reporting the social value they are achieving, while others are frustrated by commissioners’ lack of interest in full reporting of social value and as a consequence seem to have given up trying to use the legislation to their own best advantage.
4. In some respects social value has become too identified with ‘commissioning’ – the sector has lost sight of the fact that social value is core to what it does. We believe that social enterprises and all those who are advocates for social value should be doing more to **reclaim** the agenda.

## X2.0 CONCLUSIONS FROM THE ROUNDTABLE EVENTS

### X2.1 Conclusions: Social Enterprise Sector

These conversations offer some unique insights into the *lived* experience of social enterprises five years on from the passage into law of the Social Value Act. There is a gulf between the rhetoric of social value and the lived experience of social enterprises on the ground.

1. **Challenge orthodoxy:** We began this event arguing that in the five years since the Social Value Act became law, the landscape of social value has changed and the concept now has much wider applicability than just “commissioning”. This is both right and wrong. Social value *does* have wider applicability but it is also clear that in some fields – health sector commissioning and social finance emerge as glaring examples – the concept has little if any traction.

In health, where social value specifically in the context of commissioning presents some genuine logistical, practical and ‘process’ difficulties, this is perhaps understandable. But it is less understandable in the social finance sector, where significant sums of money (public and philanthropic) have been available to raise awareness, understanding and *practice* of the ‘social’ aspect of social finance. Despite this, the experience of seeking to utilise social finance as described by participants today has been almost wholly negative.

Those who have supported the social finance sector – financially and otherwise – and those who have influence within that sector, should be challenging social finance intermediaries to raise their game and become providers of genuinely *social* finance.

2. **Communication:** Amongst social enterprises, social value emerges as critically linked to *communication*. It is now apparent that the most important tasks for social enterprises are:
  - Learning to articulate and describe social value.
  - Devising evidence of this social value *in ways that are best suited to the enterprise and its activities*.
  - And embedding this social value narrative in every aspect of how the enterprise communicates.
3. **Reclaim the social value agenda:** There is a growing awareness amongst social entrepreneurs that the sector can and should do more to promote, support and shape the social value agenda – that it should be *reclaiming* social value as core to what it does. The fact that it has now become part of a legislative and public policy agenda is not a reason for social enterprises to take a back seat on social value.

## X2.2 Conclusions – Strategic Partners

We found the positions of the social enterprise participants in the first session and the strategic partners in the second to be much closer than we thought might be the case. Social enterprises feel there is a big gap between the rhetoric of social value and their experience of how the legislation is being used on the ground. But strategic partners share many of these same concerns. They too consider that there is an evident gap between rhetoric and reality; they also feel it is time for advocates and supporters of social value to exert greater influence over the agenda.

Many strategic partners also feel that identifying social value solely with the public procurement process is too narrow an interpretation of what social can and should be.

This group was perhaps more specific in looking at areas where action could be targeted to help extend and develop the agenda and there was general support amongst participants for:

1. A Birmingham solution to social value reporting and measurement, with more focus on joining up our efforts and working together, especially in the context of the West Midlands Social Value Task Force. There was little appetite, however, for measurement methods focusing solely or primarily on financial proxies.
2. Attempts to render the social value 'offers' of Birmingham Business Charter for Social Responsibility signatories more transparent by publishing these commitments along with progress and successes.
3. Investigating the potential for a 'centre of excellence in social value' or something similar.
4. Partnership and collaboration and the development of social value strategies at the Birmingham, GBSLEP and WMCA levels.
5. The need to co-ordinate or 'orchestrate' social value so that outcomes are focused on the most disadvantaged and marginalised groups (and services).

Two immediate routes were identified for taking some of this work forward:

- That these discussion/objectives are carried forward to an expanded West Midlands Social Value Task Force group.
- That Birmingham City Council work with interested and supportive parties to develop a more transparent reporting mechanism for the social value offers being made by Charter signatories.

## X3.0 RECOMMENDATIONS

It is clear that much remains to be done to continue to develop and extend the social value agenda and to improve its use in public procurement.

### *Social enterprise sector*

1. There clearly is more that the sector and sector intermediaries need to do:
  - (a) Amongst social enterprises, social value emerges as critically linked to *communication*. It is now apparent that social enterprises may need continuing support in order to:
    - Better articulate and describe social value.
    - Devise evidence of this social value *in ways that are best suited to the enterprise and its activities*.
    - Embed a social value narrative in every aspect of how they communicate.
  - (b) If the sector is to reclaim the social value agenda it will have to be more active in promoting, supporting and shaping social value and its wider understanding.

### *Sector intermediary bodies*

2. **Supporting social enterprises:** Sector intermediaries (such as SEUK WM, SEUK, BSSEC, Big Society Capital) should be considering whether there is a viable support role they can offer which will help the sector get better at articulating its social value.
3. **West Midlands Social Value Task Force:** Those already involved in the West Midlands Social Value Task Force can play a critical role in advocating on behalf of social value and highlighting the issues reported here.
4. **Social finance:** Social enterprises at our first event described almost wholly negative experiences of trying to utilise social finance. Those who have supported the social finance sector – financially and otherwise – and those who have influence within that sector, should be challenging social finance intermediaries to embed social value in all their lending and investment practices and decision-making and become providers of genuinely *social* finance.
5. **Greater Manchester:** We should be considering what can be learnt from Greater Manchester's example of developing co-ordinated approaches to social value and how best we can apply that learning in Birmingham. Those best situated to take a lead would seem to be intermediaries with a longer, national reach, such as Big Society Capital and SEUK, but there are many in the sector,

including BSSEC, who would be willing to help gather, digest, summarise and disseminate such learning.

### *Strategic partners*

6. **Health:** There is still no clear route into health for social enterprises wanting to assist commissioners better embed social value in commissioning, but opportunities do exist:

- There is clear potential for greater leadership in public health commissioning in particular to bring social value to the foreground in commissioning.
- It is also possible for the Birmingham & Solihull STP to better reflect social value as a key concept.

It would be a huge step forward if we could begin to see some leadership *and guidance* coming from within the health sector regarding a vision, definition and framework for social value in health commissioning.

7. **Social Value Strategies:** The need for social value strategies at the Birmingham level, the GBSLEP level, and the WMCA level has already been identified. BSSEC would be happy to work with BCC and others to contribute to a social value strategy at the city level; others may be better situated to help at the GBSLEP and WMCA levels. What is important is that these two events have revealed that there is a huge appetite both within the sector and amongst strategic partners for joint working that will help improve understanding of social value and improve how we use it and how we pursue it.

8. **Birmingham City Council & the Birmingham Business Charter for Social Responsibility:** Birmingham City Council wishes to render the social value 'offers' of Birmingham Business Charter for Social Responsibility signatories more transparent by publishing these commitments along with progress and successes. BSSEC – and perhaps others too – would be very happy to support Birmingham City Council in developing such a reporting mechanism if this would be helpful.

# FULL TEXT

## 1.0 INTRODUCTION

Since late-2012 BSSEC has been working to support practical implementation of the Public Services (Social Value) Act 2012 – what has become known in shorthand simply as ‘social value’. The Act requires: ‘...public authorities to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes.’ [8th March 2012]<sup>1</sup>

### ***How this work has been funded***

This work has been made possible by financial support from The Barrow Cadbury Trust. Over two project phases and a total of five years’ work, The Barrow Cadbury Trust has been a flexible, innovative and patient funder, engaging with us in one of the most positive funding relationships we have ever experienced. We gratefully acknowledge this support.

### ***Purpose of these events***

As the project draws to a close, we wanted to take the opportunity to review current progress and evolving thinking regarding social value. But rather than simply looking to the past, we also wanted this to be an opportunity to look to the future of social value – to think about how social value might be extended and protected as a key public policy idea in the future.

We organised two roundtable discussion events designed to enable a frank discussion of organisations’ and individuals’ *real* experience in utilising the legislation. The first event, held on the 12th October 2017 in Birmingham, was specifically for social enterprises. The second, held on the 15th November 2017 in Birmingham, was specifically for strategic partners. While we give a separate account of each event, both are reported here. A total of 44 people participated in the events (see **Appendix 1** for list). We would like to thank everyone who contributed.

### ***Further information on social value***

The work we have done over the past five years is fully documented on our website. Taken together we believe it currently represents one of the largest archives of material on emerging trends and evolving thinking in social value.<sup>2</sup>

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<sup>1</sup> We describe the Act and its implications here: <http://bssec.org.uk/policy-issues/public-services-and-social-value/>. The text of the Act is here: <http://bssec.org.uk/wp-content/uploads/2013/04/The-Act.pdf>.

<sup>2</sup> For five years’ worth of material on social value under ten topic headings go to <http://bssec.org.uk>. Click on ‘Policy Issues’ on the top menu bar and choose ‘Public Services & Social Value’. Also see nearly 100 blog posts tagged ‘social value’: <http://bssec.org.uk/category/public-services-social-value/>.

## 2.0 SETTING THE SCENE

Both events began with an introductory presentation by Alun Severn of BSSEC, giving an overview of the work we have been doing, setting out key trends and issues in social value, and establishing the wider context for the subsequent open discussion.

### 2.1 Presentation: Social value: Where we are and looking forward – Alun Severn, BSSEC

#### ***Where we are now?***

It is four years since the Public Services (Social Value) Act 2012 came fully into force. The Act was intended to enable public service commissioners in all relevant public authorities to consider how the services they were procuring could deliver additional social, economic or environmental benefit.

Our research, and the independent review of implementation of the legislation conducted by Lord Young (Feb 2015),<sup>3</sup> found that there has been good progress in utilising the legislation amongst local authorities but less traction in health (although some strong examples of good practice), central government departments, housing.

But it must also be noted that social value has also been enacted against a backdrop of the deepest austerity measures in a generation and consequently its use is not always proving as inventive or creative as we once all hoped. Indeed, to the degree that the legislation has become part more-for-less agenda, its use may not always even be entirely benign.

#### ***Awareness & understanding***

Awareness and understanding of the legislation is very mixed, depending on what part of the sector one looks at. For example, during January and February 2016 we carried out an online survey to find out what social enterprise and third sector providers were saying about the current use of the social value legislation in health and social care commissioning.<sup>4</sup> This found that:

- Many commissioners are still unclear about the kind of social value they wish to achieve and how best to build this into procurement practice.
- Many social enterprises continue to be confused and unclear about social value – some are even unfamiliar with the language of social value (this is especially true of newer, younger social enterprises).
- Some are under-reporting the social value they are achieving.

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<sup>3</sup> See: Social Value Act review – report February 2015, Cabinet Office (Feb 2015): <http://bssec.org.uk/policy-issues/public-services-and-social-value/social-value-findings-of-the-first-government-review-feb-2015/>

<sup>4</sup> See this piece on the website <http://bssec.org.uk/health-where-the-social-value/> and read the full survey findings here: <http://bssec.org.uk/wp-content/uploads/2016/03/SV-survey-findings.pdf>

- Some social enterprises are frustrated by commissioners' lack of interest in full reporting of social value and as a consequence seem to have given up trying to use the legislation to their own best advantage.

In some respects social value has become too identified with 'commissioning' – the sector has lost sight of the fact that social value is core to do what they are and what they do:

- We need to see far more proactive reporting of social value in the sector.
- Social enterprises can – and should – be playing a much bigger role in publicising social value achievements and being advocates for social value.

### ***Wider applications of social value***

But even in the relatively short period that the Act has been in force we have seen the landscape of social value change significantly:

- The legislation has in effect opened social value up to competition – the private sector is often a key player in social value, especially in construction.
- The role of the private sector is especially significant in Birmingham given that Birmingham City Council's Birmingham Business Charter for Social Responsibility<sup>5</sup> seeks to derive social value from every aspect of the local authority's supply chain.
- Social value now has a currency that goes beyond the narrow confines of public sector commissioning and is relevant in: the social investment marketplace; the structuring of Social Impact Bonds; and philanthropic funding.

All of which reinforces the view that the sector needs to be doing more to proactively use social value – to stop seeing social value as something that is 'done to the sector' and reclaim it as something the sector has pioneered.

### ***Social value 'measurement'***

Measurement of social value has taken something of a backseat and doesn't seem to have the prominence it did just two or three years back – especially now that it is apparent that there is no single dominant methodology for 'measuring' SV and no magic bullet solution.

We have advocated a simpler mix-and-match approach – financial or 'social return' proxies where they exist (e.g. savings to other public services; reduced demand on other services; savings from prevention); narrative 'headlines' highlighting key social value outcomes where these make more sense... It doesn't have to be complicated!

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

Our guidance on identifying social value and thinking about ways to report it has been popular: 'Are you under-reporting your social value? How to identify social value in your contracts and services'.<sup>6</sup>

It should be noted, however, that Bridging the Gap, the first national conference on social value, organised by the Social Value Portal, put the measurement of social value firmly back on the agenda with the launch of the National Framework for Measuring Social Value.

The framework – called the National TOMs Framework, which stands for Themes, Outcomes and Measurements – has been developed by the Social Value Portal and the Social Value Task Force over the past eighteen months or so, largely in response to the findings of the Lord Young review of the implementation of the Social Value Act. The Lord Young review called for more work to be done to develop a national minimum standard for reporting social value.<sup>7</sup>

At the moment the framework is not comprehensive. It currently uses a basic five themes, under which there are 17 outcomes and 35 measures – some of which have in-built financial proxies which will automatically deliver a financial equivalent that can be attributed to the social value in question.

The aim is to test this framework over the next year or so, gradually populate it with a wider range of outcomes and measures and issue a version 2 framework in 2019.

It will be interesting to see the degree to which the framework is adopted. On initial examination the guidance and the spreadsheets look over-complex for the average (and especially smaller) social enterprise. Its natural constituency may be corporates and larger private sector businesses that are keen to capture social value as part of their contracting and bidding for public works, and public authorities that need to use an evidenced framework which will enable them to calculate and compare social value as part of decision-making in the procurement process. It may also appeal to social enterprises that have a designated social value and/or data person in-house able to take charge of putting the framework into practice.<sup>8</sup>

### ***Social value & health***

This is really a subject in itself and we cover it only very briefly here today.

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<sup>6</sup> See: <http://bssec.org.uk/a-free-presentation-to-help-you-identify-your-social-value-and-report-it/>

<sup>7</sup> See this post on the BSSEC blog for commentary on the Lord Young Review report: <http://bssec.org.uk/policy-issues/public-services-and-social-value/social-value-findings-of-the-first-government-review-feb-2015/>.

<sup>8</sup> See this post on the BSSEC blog for more information about the first national social value conference: <http://bssec.org.uk/policy-issues/public-services-and-social-value/social-value-findings-of-the-first-government-review-feb-2015/>. The Social Value Portal covers the conference here <http://socialvalueportal.com/national-social-value-conference/> and the download page for the National Measurement Framework is here: <http://socialvalueportal.com/national-toms/>.

One of the biggest frustrations continues to be how little traction social value has gained in the commissioning of health. There are numerous factors contributing to what seems to be poor and patchy progress on social value in health:

- Awareness and understanding amongst health commissioners seems especially poor. We even found some health commissioners who were unaware that the legislation even applied to health.
- Financial crisis and continuous structural upheaval in the health system.
- The fact that the health system is an increasingly complex and fractured environment.
- Split between clinical and public health commissioning has further complicated things.
- Inflexibilities in national commissioning frameworks.

It also seems to be the case that social value is better suited to non-clinical, community-based, early intervention and preventative services – but hard to demonstrate this and take innovative, creative approaches in a period of crisis.

Arguably the biggest single factor, however, is the lack of health sector guidance – leadership on social value needs to come from within health – and SEUK’s excellent recent report confirms this view: only 13% of Clinical Commissioning Groups are making ‘highly committed, active use’ of legislation.<sup>9</sup>

### ***Where next?***

So with the emphasis on looking forward rather than backward, where should we hope to see social value heading in the future – and what can social value supporters in the sector do? We believe:

- It’s time for the social enterprise sector to reclaim social value:
  - ✓ More social enterprises should be reporting proactively on social value – in whatever ways make best sense and are most do-able *for them*.
  - ✓ More social enterprises should be advocates for social value.
  - ✓ The sector should recognise that the social value landscape is changing – it isn’t just an arcane debate about ‘commissioning’: social value has currency amongst funders, investors, stakeholders, supporters, users, SIBs, impact reporting...
- A critical problem has been the sector’s own failure to work together more collaboratively to support, promote, extend and protect social value.

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<sup>9</sup> See: ‘Healthy Commissioning: How social value is being used by CCGs’ (SEUK & National Voices, 2017). <http://bssec.org.uk/new-seuk-research-on-use-of-social-value-in-health-finds-only-13-of-ccgs-making-highly-committed-active-use-of-the-legislation/>

## 3.0 EVENT 1: 12TH OCT 2017 – SOCIAL ENTERPRISE SECTOR

### 3.1 Introduction

The first event was facilitated by Sarah Crawley, chief executive of specialist social enterprise development agency, iSE. Following BSSEC's introductory presentation (Setting the Scene: see 2.1), four local social entrepreneurs gave their personal perspectives on social value:

- **Graham Beaumont**, chief executive of Health Exchange.
- **Martin Hogg**, founder of social enterprise Citizen Coaching.
- **Richard Beard**, chief executive of long-established social enterprise The Jericho Foundation.
- **Afzal Hussain**, chief officer, Witton Lodge Community Association.

### 3.2 Personal Perspectives on Social Value

#### (a) Graham Beaumont, Health Exchange

Health Exchange CIC was established in 2007 to deliver a radically different, community-led model of health promotion. Graham Beaumont has led Health Exchange since its inception. It has grown from a new CIC with 23 employees to a £3.2m turnover business with over 100 employees.

Graham began by saying that health commissioners have *never* asked Health Exchange to explain let alone report its social value. 'NHS England and CCGs,' he explained, 'focus solely on clinical outcomes and the lowest possible price.'

Even in its role as one of the delivery organisations for the national Type 2 Diabetes prevention programme – a service ideally suited to generating additional social value both through local delivery methods and its work in some of the most deprived communities – social value has never featured in the commissioning process. And yet, services to treat obesity and Type 2 Diabetes will soon consume 17% of the entire NHS budget.

The planned merger of Birmingham Cross City CCG, Birmingham South Central CCG and Solihull CCG 'is likely to further hinder the use of social value,' Graham believes.<sup>10</sup>

Dudley CCG, Graham noted, has been one of the exceptions to this, pioneering new approaches to social value in partnership with key local providers of early intervention and prevention services.

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<sup>10</sup> See: <http://www.pulsetoday.co.uk/news/commissioning/commissioning-topics/ccgs/ccgs-in-talks-over-biggest-ever-merger-in-england/20032102.article>

But Graham's frustration is not restricted to NHS commissioners. He reported a similar experience when seeking to raise social finance to help cash flow a major delivery programme. 'We approached three social finance intermediaries,' he said, and not one of them asked anything about social value. Their only interest was in the financial numbers.'

**(b) Richard Beard, Jericho Foundation**

'I want to talk about social value from three perspectives,' Richard said: 'the good, the bad, and the ugly.'

The good – Birmingham City Council has done a fantastic job of embodying the spirit of the legislation in its procurement practice and this has been a huge benefit to Jericho, which has gained significant business as a second tier contractor or sub-contractor across many of the areas its social enterprises operate in – catering, grounds maintenance, cleaning, to name just some.

The bad – it is a shame this is not mirrored in the rest of the statutory sector, and especially health. As long as contract specifications revolve around 90% track record and experience and only 10% social value, the potential for new community-based providers to come forward – such as ourselves – will be stifled.

The ugly – we have to challenge ourselves as a sector, Richard believes. Are we embodying social value in our own procurement activities? He gave the example of failing to secure a recent construction contract for £1.4m being let by a third sector organisation working with ex-offenders. 'This was right in our sweet spot,' Richard said. 'Our tender set out how in delivering against this contract we would also create £600,000-worth of social value. And yet social value didn't feature at all. We were £15,000 more expensive than the tender eventually chosen and on this basis alone were unsuccessful.'

Richard has long championed the idea that the wider third sector – which can of course choose to make *voluntary* use of the legislation – should be doing more to push the social value agenda by example.

**(c) Afzal Hussain, Witton Lodge Community Association**

Afzal explained that five years ago he was working in Coventry and that at that time there seemed to be greater optimism regarding not just social value but also the wider prospects for social enterprise. 'But since then,' he explained, 'we have seen that simply attaching the work "social" as a prefix doesn't make something good. "Social finance" for instance – but at anti-social interest rates, 2-8% higher than elsewhere. Or "social auditing" – so over-complicated that for most people it's like trying to nail jelly to the wall.'

In Birmingham, he says, he feels the mood music is better. There's more to be done but the Business Charter is delivering tangible benefits. In community asset transfer too more could be done to build on a good idea – this was social value *before* the Act.

But if we are to see better progress then the sector has got to be more active in putting down its own markers about what social value is.

#### **(d) Martin Hogg, Citizen Coaching**

Social value is something we should be doing for ourselves and for the benefit of our enterprises and service-users, Martin Hogg believes. 'It helps keep us on track; it helps us reaffirm our social mission.'

He identified two different but complementary strands in reporting social value. First, it's about building up credible evidence – in whatever ways are best suited to what we do. We did this and it helped Citizen Coaching become a provider as part of the national Improving Access to Psychological Therapies (IAPT) programme.

But storytelling – a narrative – is also vital, says Martin, a lesson that has been well learnt in the time that Citizen Home,<sup>11</sup> another Citizen Coaching social enterprise, has been operating. Citizen Home is a small homeware and gift shop in Birmingham's Jewellery Quarter. 'Here we've found that it's necessary to tell the story of social enterprise products. People want to know the back-story – why is this product significant? What makes it "social"? Who does it help and how? The story behind the product has a value.'

But Martin went on to explain that being a social enterprise product isn't enough. 'It has to be top quality too. If an item is crap, it doesn't matter if it's from a social enterprise – it doesn't get a repeat order. You've got to compete on price, on social value *and* on quality if you want to win people's custom.'

Martin also echoed Graham Beaumont's experience with social finance intermediaries. 'We also tried to raise social finance to help cash flow and growth,' he explained, 'but the man I saw was just a trendy banker in sandals. There was no awareness of or interest in social value. The only social finance providers I've come across who genuinely care what we do as social enterprises are The Key Fund and ART Business Loans.'

Discussion was then thrown open. The conversation was structured loosely around the following four questions:

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<sup>11</sup> See <https://www.citizenhome.co.uk> and BSSEC blog post about Citizen Home <http://bssec.org.uk/citizen-home-a-place-to-sell-things-make-things-and-make-things-happen/>.

1. How has social value changed things for you – good, bad, a threat or an opportunity?
2. Competing on social value – is the sector winning? If so, why; if not, why?
3. What next for social value?
4. Use by other agencies – e.g. funders, lenders, corporate sector.

### 3.3 Open Discussion

#### ***How has social value changed things for you – good, bad, a threat or an opportunity?***

Several said that the biggest changes occasioned by social value had been internal. Health Exchange (Graham Beaumont) said he found it had made his organisation focus on *why* it does things and had also had an impact on Health Exchange's own procurement practices.

Gateway Family Services (Katherine Hewitt) agreed. 'We now report to our Board on social value, whereas we didn't do that before. Talking to staff, to others such as BSSEC, and to other social enterprises made us realise that we needed to ensure our own particular interpretation of social value was understood throughout the organisation and by the Board – a shared understanding is important, a sense of accountability for social value.'

Coventry University Social Enterprise (Gabriela Matouskova) said that the University had been convinced that its own procurement practices must change. 'We're more aware of the need for social value reporting and for embedding this as part of how we communicate. We're also hopeful that other universities will pick up on this too.'

John Taylor Hospice (Diane Parkes), the UK's only social enterprise hospice, offered a different perspective. 'We have a problem with the language of social value. It doesn't mean much to our service users. And we contract with very few organisations so the degree to which we can use social value in our contracting is also limited. In addition, those we deliver for are in the final stages of life and are going to die. It may be simplistic but we prefer the language of "making a difference" – because this is what the families and partners and friends of those we care for understand. Generally speaking, the public simply wants to know that those we have cared for were cared for really well.'

Social Value Plus (Rokneddin Shariat) noted that on the 14th November 2017 the Social Value Portal will be holding its national conference on social value in Birmingham and as part of this will be launching a national social value measurement framework. 'I think the issue of social value measurement will come to a head, but the sector can help shape how this is done. We can influence politicians. We can lobby for a greater emphasis on social value – social value set at 10% of contract weighting was never

intended as anything more than a lowest default position.’ He also emphasised that the sector also has opportunities to deliver social value as part of private sector supply chains, as some social enterprises today confirmed.

Cloudberry (Mark Ellerby) said that his experience in developing the PSIAMS<sup>12</sup> outcomes software had changed the way he thinks about social value. ‘I think what PSIAMS and the experience of operating in Dudley as part of the NHS Multiple Community Provider (MCP) model has shown is that capturing *personal voice* regarding patients’ and service-users’ outcomes is key, and being able to do this across different kinds of outcomes. This is what social value means in client-centred services – its about personal outcomes, and in particular the additional social value outcomes that services achieve for people.’

Citizen Coaching (Martin Hogg) noted that Community Interest Companies (CICs) already have to hand a fairly simple and straightforward method for articulating their social value and community benefit in the CIC34 Form, the standard community interest report form that CICs are required to file annually along with their company accounts. ‘And what’s more, these reports are publicly accessible via Companies House,’ Martin says. ‘The better we get at reporting using this standard format, the more we can say to interested parties about our social value – and yet I’ve read some CIC34 reports that are very poor indeed. It’s there to be made use of.’

### ***Competing on social value – is the sector winning? If so, why; if not, why?***

SEUK West Midlands (Stuart Emmerson) noted that the legislation is still relatively new. Public policy evolves and is embedded over significantly longer time frames. Social enterprises’ track record on BAME representation, working in and serving deprived communities, the prevalence of women leaders in the sector – all of this is part of the social value story. He drew attention to SEUK’s latest ‘state of the sector’ survey, which has just been published.<sup>13</sup>

He also noted that we should not underestimate the opportunities which exist for social enterprises as part of private sector supply chains. SEUK’s *Buy Social Corporate Challenge*, which is backed by the Cabinet Office, has seen twelve large private sector businesses pledging to spend £1bn with the social enterprise sector by 2020. Stuart acknowledges that not all social enterprises are “corporate-ready” but so far almost 150 social enterprises are involved.

‘We’re also seeing progress elsewhere and in other ways – for instance, the proportion of social value climbing in some contract specifications,’ Stuart says. ‘In Manchester, city council construction contracts routinely weight social value at 30%; Thurrock has contracts where social value is 20%.’ It is also the case that in Birmingham we have

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<sup>12</sup> See <https://psiams.com>.

<sup>13</sup> The Future of Business: State of the Sector 2017, SEUK (Sept 2017). <http://bssec.org.uk/seuk-unveils-state-of-the-sector-2017-report/>

seen other kinds of service contracts – such as services for vulnerable adults – where social value is pitched at a higher 20% level.

‘We should also acknowledge the other kinds of outcomes that work around social value can produce,’ Stuart says. ‘For example, as a result of its involvement in the Corporate Challenge, Deloitte now employs more non-graduates than ever before.’

### ***What next for social value?***

SEUK (Stuart Emmerson) noted that Chris White, the original mover of the Private Member’s Bill which resulted in the Act, and the former Conservative MP for Warwick and Leamington (he lost his parliamentary seat at the 2017 General Election), is now working to try and ensure that implementation of the Act is reviewed again.

It was also noted that existing work to develop the Digbeth Social Enterprise Quarter, along with the potential for Birmingham to become a social enterprise city, offers a unique platform on which to continue building the social value agenda.

Witton Lodge (Afzal Hussain) noted that the sector should be doing more to challenge orthodoxy around procurement, and in particular should be advocating for better and more social value-based contract compliance approaches.

Several participants noted that where the sector is losing out because procurement procedures fail to include social value, this should be challenged.

SEUK (Stuart Emmerson) also noted that there is an opportunity to promote social value to the private sector as part of improving its recruitment and retention of talented young people. ‘Millennials want social purpose as well as a decent wage and interesting work with good prospects, and we can turn this to account in our work with the private sector. A greater emphasis on social value and social purpose can help corporates recruit and retain young talent.’

There are also opportunities for the sector to do much more in working together collaboratively to maximise its collective voice and influence in support of social value.

Inside Outcomes (Darren Wright) noted that ‘no one is taught to be a commissioner. They can build in social value outcomes but what they really struggle with is building in metrics that are appropriate for those social value outcomes. That’s where we should be trying to help – in shaping the metrics of contracts.’

### ***Social value – use by other agencies***

#### Funders

Social value was seen by some as presenting particular problems for them and/or their sector or activity.

For example, West Midlands Funders Network (Steven Simpson) noted that assessing social value in the context of funding applications presents some particular difficulties – especially if the applicant has struggled to make their social value or impact clear. He gave the example of apprenticeships, explaining that this was something the private sector was often better at articulating. ‘The private sector will often be able to identify where apprentices will come from – what groups, communities, localities – and how targeted recruitment will ensure this. But the third sector sometimes struggles because it doesn’t have this information to hand.’

He also noted that assessing social value presents particular difficulties in small grants: ‘At the £5K-£20K level, assessing the significance of a particular social value offer – and being able to compare that against the offers of other applicants – would require some kind of common framework, and at the moment we don’t have that.’

Steven also noted that narrative is crucial to evidencing social value. ‘We tend to think of “evidence” in the form of statistics, but statistics can sometimes be hard for non-specialists to interpret. I think social enterprises can help funders (and commissioners) by ensuring that where they use statistics these are embedded as part of a story. This gives them context and meaning.’

The Barrow Cadbury Trust (Debbie Pippard) noted that assessing social value can sometimes be especially difficult if the funder’s other criteria or its application process are already complex in themselves. Smaller applications and smaller funders, where the applications are likely to be less complex to begin with, may offer some advantages in this regard.

#### Short-term commissioning vs. long-term outcomes

Changes UK (Steve Dixon) noted that for organisations like his – where successful personal outcomes may take a long time – the emphasis that commissioning has on the *short-term* presents particular problems: ‘For us and our clients, social value is almost always a long-term outcome.’ Many agreed with this.

#### Social value & hospital trusts

Conrad Parke (Sandwell MBC) spoke of his experience over the past five years in working with Sandwell and West Birmingham NHS Hospitals Trust on procurement, including the new Midland Metropolitan ‘super hospital’. He explained that the new super hospital has a spend of £150m a year and yet only around 14% of this is spent in the local economy. The Trust said it wanted to see this increased by at least 10%.

But increasing spend in the local economy turned out to be an extremely complex proposition. ‘We really couldn’t get any traction for the idea,’ Conrad said. ‘It was just seen as presenting the new hospital with yet another problem.’

But there was more success when the Trust was instead encouraged to target local employment amongst its 6,500 workforce. ‘Setting a target for local employment was seen as easier. And this illustrates the central difficulty with social value in health. Hospitals don’t have the expertise to do social value – they’re clinicians at one level, and accountants at another. So if we want the health system to adopt social value we have to show them how to do it. We have to offer solutions (which they want) rather than problems (which they don’t want). They can’t be bullied into social value.’

He is hopeful that the steps taken to increase local employment will now be rolled out to other hospitals.

### **3.4 Summary & Conclusions**

#### **3.4.1 Conclusions**

Today’s conversations offer some unique insights into the *lived* experience of social enterprises five years on from the passage into law of the Social Value Act. For us, the following emerged as the most important messages.

#### ***Challenge orthodoxy***

We began this event arguing that in the five years since the Social Value Act became law, the landscape of social value has changed and the concept now has much wider applicability than just “commissioning”. This, it is now apparent, is both right and wrong. Social value *does* have wider applicability but it is also clear that in some fields – health sector commissioning and social finance emerge as significant examples – the concept has little if any traction.

In health, where social value specifically in the context of commissioning presents some genuine logistical, practical and ‘process’ difficulties, this is perhaps understandable. But it is less understandable in the social finance sector, where significant sums of money (public and philanthropic) have been available to raise awareness, understanding and *practice* of the ‘social’ aspect of social finance. Despite this, the experience of seeking to utilise social finance as described by participants today has been almost wholly negative. Those who have supported the social finance sector – financially and otherwise – and those who have influence within that sector, should be challenging social finance intermediaries to raise their game and become providers of genuinely *social* finance.

#### ***Communication, communication, communication***

In the early stages of this project many in the sector believed that social value would play out as a ‘technocratic’ exercise, its success dependent on a legion of technical ‘measurement’ experts. While the newly launched National Framework for Social Value Measurement (launched after the event reported here: see p.26 and p.28) may be a largely technical exercise, we feel that today’s discussion illustrates that for many social

enterprises social value is in fact much more closely linked with skills in *communication* and *messaging*. Rather than complex questions of measurement, social enterprises participating here are much more concerned with:

- Learning to articulate and describe social value.
- Devising evidence of this social value *in ways that are best suited to the enterprise and its activities*.
- Embedding a social value narrative in every aspect of how the enterprise communicates and the key messages it projects.

### ***Reclaim the social value agenda***

And finally, there is a growing awareness amongst social entrepreneurs that the sector can and should do more to promote, support and shape the social value agenda – that it should be *reclaiming* social value as core to what it does.

We shouldn't let social value become an arcane debate dominated solely by commissioning. Social value *defines* the social enterprise sector – irrespective of the degree of interest (or indifference) commissioners may exhibit. Social value is what makes social enterprises 'social'. The fact that it has now become part of a legislative and public policy agenda is not a reason for social enterprises to take a back seat on social value!

#### **3.4.2 Summary by the Facilitator**

Sarah Crawley thanked everyone for their participation and contribution. 'We knew that what we wanted to achieve from this event was a genuine conversation,' she said, 'because we knew that that would be more useful and more illuminating. And this has worked even better than we hoped it might.' Sarah identified five key messages:

- 1) We should be doing more to help procurement people understand social value.
- 2) There is a role for support agencies, business support providers and sector activists in advocating for better use of the existing CIC community benefit reporting requirements and helping social enterprises use this mechanism better.
- 3) Purchasing – we can all create social value by “buying social”.
- 4) There is a clear need to work together more collectively in support of the social value agenda.
- 5) While it is still too soon to talk about any final decision as regards social value measurement, we should take on-board the message regarding “stories plus evidence”. We should also look closely at the national social value measurement framework the Social Value Portal launches at its conference to see what the implications of this might be for the sector.

## 4.0 EVENT 2: 15TH NOV 2017 – STRATEGIC PARTNERS

### 4.1 Introduction

The second event was facilitated by Mark Ellerby, who as well as running Cloudberry Innovation & Development, a consultancy that helps individuals, charities, social enterprises and businesses grow through innovation and development, is also a founder of PSIAMS Systems, a social enterprise that develops software-based solutions for client outcomes measurement in health and social care (see **Appendix 1** for participants).

In introducing the event, Mark explained that the purpose of the event was to enable a proper, frank conversation about social value that looks as much to the future of social value as it does to the present position – the kind of conversation that doesn't always happen around key policy initiatives.

Following BSSEC's introductory presentation (see 2.1), four participants gave brief personal perspectives on social value:

- **Helga Edstrom**, Policy Manager West Midlands Local Intelligence Team, Office for Civil Society.
- **Adrian Phillips**, Director of Public Health Birmingham.
- **Melanie Mills**, Social Sector Engagement Director, Big Society Capital.
- **Rachel Woolliscroft**, Head of Sustainability, Wates.

We especially want to thank these contributors for helping to get the discussion going.

### 4.2 Personal Perspectives on Social Value

#### (a) Helga Edstrom, Office for Civil Society

Helga began by saying that she had a lot of sympathy with BSSEC's initial presentation and agreed that the sector would need to do more in order to take greater control of the social value agenda. The Act is not the only tool for social value and in any case was somewhat watered down during its passage into law. Reviews of its implementation haven't done much to improve its usage in those areas where progress has been poor.

There are other areas too where adoption of social value has been poor. For example, what does social value mean in the context of youth provision?

In the power vacuum created by the Brexit vote, there is an opportunity for the sector to exhibit greater leadership and influence in this and a number of other policy areas. The government's new Industrial Strategy<sup>14</sup> and the recently announced civil society

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<sup>14</sup> See: <https://www.gov.uk/government/news/government-unveils-industrial-strategy-to-boost-productivity-and-earning-power-of-people-across-the-uk>.

strategy<sup>15</sup> both have the potential to help create space for dialogue and the sector should be taking advantage of this.

We should also be mindful of the fact that places vary enormously and social value may also mean different things in different localities, where the needs and the problems may be unique. We cannot assume that the West Midlands Combined Authority will be able to resolve such issues. The sector is rich in the kind of local intelligence needed to inform locally appropriate policy-making and should ensure it is ready to do so.

**(b) Adrian Phillips, Director of Public Health**

Two things excited me when I came to the Birmingham job, Adrian explained. The excellent progress that was being made with the Birmingham Business Charter for Social Responsibility, and Birmingham's long tradition of reforming entrepreneurs – the Birds and Cadburys and Averys whose portraits line the corridors of the Council House. These were business people who understood that business wasn't just about maximising profit. They were doing social value over 150 years ago.

But social value should also be a positive thing – it isn't about filling in for or replacing something we can no longer afford through the normal public procurement channels. It should be about doing things differently, about role modelling, about working together for *mass* effect and impact.

The Sustainability & Transformation Plan (STP) will see all health and care organisations in Birmingham and Solihull working together, where there is a combined £2.3bn spend on health services for local people.

But I want to see us taking collective action to help those who need the most help – those on whom the most is already spent, often with the poorest results. We have 400,000 people in the most disadvantaged 10%, and of these around 10,000 have multiple and complex needs, including mental ill health, drug, alcohol and addiction problems, learning difficulties. This is where the biggest slice of public spending on health and social support goes.

But what's the one thing that most of these people say – and the thing we pay least attention to in the services that are offered? "I want a job." That's what most of them say; that's the solution that most see as having the greatest long-term impact. But employing these individuals is too great a risk for most employers. Social enterprise and the third sector has the potential to help manage the risk of recovery and rehabilitation and be part of a solution aimed at helping those who most need our support and whose services already cost the most and deliver the least.

We should be focusing on:

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<sup>15</sup> See: <https://www.civilsociety.co.uk/news/government-launches-new-civil-society-strategy.html>.

- What are our biggest local problems?
- How do we work together to maximise the impact and improve the outcomes of services?
- And how do we make change and impact sustainable for the groups most needing help and support?

**(c) Melanie Mills, Big Society Capital**

Melanie began by emphasising that we should bring solutions forward – not just outline what the problems are. Because there are opportunities, both in the role of the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) and in the social investment movement.

But we haven't yet found the best way to articulate social value at the GBSLEP level. If we over-complicate it then we won't get any traction. Social value is really only about impact, after all, and that's language that businesses can and do understand.

We should be explaining social value in terms of business impact and business purpose – this is language that the private sector understands.

But we also need to find a way to align – to unite – our efforts around social value. Greater Manchester seems to be the exemplar in this respect, at the moment. The Greater Manchester Combined Authority adopted a social value policy in November 2014<sup>16</sup> and a Greater Manchester Social Value Network<sup>17</sup> brings together all of the key stakeholders to continue developing and extending the social value agenda.

We need to start with what we control or can influence or learn from:

- Some of the biggest private sector companies, especially in construction, were practicing social value long before the Act.
- We should link with and learn from Greater Manchester. What have been the factors in their success?
- Recognise that as far as the LEP is concerned, people come at social value with very different levels of expertise, awareness (and interest). Therefore we need to keep it simple – find a simple infographic representation for combined outcomes and social value aims.
- Help develop a clear, simple social value policy for the LEP – something that businesses can understand and get behind.
- Get better at replication – if aligned, combined action on social value is possible in Greater Manchester, then it's also possible here.

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<sup>16</sup> See: [https://www.greatermanchester-ca.gov.uk/downloads/download/27/gmca\\_social\\_value\\_policy\\_-\\_november\\_2014](https://www.greatermanchester-ca.gov.uk/downloads/download/27/gmca_social_value_policy_-_november_2014).

<sup>17</sup> See: <https://gmsvn.org.uk>.

**(d) Rachel Woolliscroft, Wates**

There has been a sea-change in construction over the past decade, with many leading construction companies now having fully embedded frameworks for social value and social impact. There is a huge opportunity for construction companies to work together in the context of delivering social value.

However, we do to some extent lack a good working definition of social value. It shouldn't just be about jobs and training opportunities – this is too narrow an interpretation of what social value *can* and *should* be about.

It is also important that what is required of providers in the way of social value is proportionate and reasonable. Whether in terms of what is asked for in the way of social value, or indeed methods for measuring and reporting social value, public purchasers should be wary of letting their demands become unwieldy or out of proportion.

Rachel identified the following key issues:

- Patchy/non-existent monitoring of social value as part of contract management – how can providers be held to account in ways that are reasonable, proportionate and do-able?
- Too much emphasis on the biggest companies. How can we best feed social value down throughout smaller supply-chain partners?
- Many aspects of commissioning are too narrow in their interpretation of social value. We need to see a more creative, more flexible, more innovative use of social value.

### **4.3 Open Discussion**

The discussion was wide-ranging but can be summarised under five key headings:

- Birmingham Business Charter for Social Responsibility.
- Contract management and the potential for a 'social value centre of excellence'.
- Not just financial proxies.
- Focusing on the most disadvantaged and co-ordinating social value.
- The need for a Birmingham social value strategy.

#### ***Birmingham Business Charter for Social Responsibility***

Because the Birmingham Business Charter for Social Responsibility is now such a significant tool in Birmingham for achieving social value, Haydn Brown explained some of the key issues involved in more detail.

The Charter is structured around six headline themes (local employment; buy local; partners in communities; good employer; green and sustainable; and ethical procurement), with Charter guidance offering a variety of suggested measures to be

taken or achieved under each of these headings. In this it has some immediate similarities with the National Social Value Measurement Framework ('National TOMs Framework') mentioned earlier.

The Charter was revised in late-2016 to incorporate policy updates and thresholds for application to simplify the process for SME's with smaller value contracts and create process efficiencies for tenderers and council officers alike. But the fact that over 400 businesses are signed up to the Charter – and all have submitted action plans outlining the social value they are able to deliver – has created significant benefits locally.

Under these latest revisions, Charter requirements no longer apply to contracts under £200K; in contracts from £200K-£750K they are applied as a light touch regime tailored by contract or grant type; and in contracts over £750K providers must fully consider social value and all action plan measures.

Methods to 'automate' the aggregation of social value achieved and to digest such information in a way that would be meaningful for Birmingham's residents as well as its public sector officers, elected politicians and community and civil society stakeholders are probably quite a long way off, but BCC believes there are some steps along the way that could improve its social value management. For example, BCC is already updating its e-tendering and contract management system to include the social value action plans and asked whether suppliers in attendance at the meeting would be willing to publish their social value commitments with progress and successes.

While in some cases there may be commercial confidentiality issues involved, most participants were generally positive towards this suggestion, feeling that it could be implemented in a variety of 'do-able' ways that would aid transparency. Wates noted that it has uses a Project Impact Report itself and with its supply chain and would be willing to share this with BCC.

### ***Contract management and the potential for a Social Value 'centre of excellence'***

Melanie Mills (BSC) noted that as long as social value is interpreted solely as a 'public procurement' issue, then most of us will only be able to contribute if we are part of a supply chain.

Several participants noted that contract management seems to be the big issue: it isn't capturing social value adequately, nor is it encouraging or enabling providers to do better on social value. Mark Cook (ACS) noted that austerity has stripped out an entire tier of contract management people in public authorities and that this has compounded difficulties in this regard.

The key issue is whether on a city basis (or across a larger territory, such as the GBSLEP or WMCA areas) social value should be pursued on an 'open offer' basis – i.e. the public authority/ies concerned take whatever social value is offered – or whether it is possible to 'orchestrate' social value, focusing it on the achievement of specific

objectives. For example, to pick up on Adrian Phillips' point about the 10,000 most disadvantaged with multiple and complex needs, could a strategic and co-ordinated approach be taken that would see social value measures focused on activities that would assist in supporting and improving outcomes for this group?

Most participants recognised that such an approach would have considerable advantages but also acknowledged its inherent complexities.

Perhaps a possible answer lies in the establishment of a social value 'hub' of some description – a “shared centre of expertise for multiple public authorities”, was how one attendee described it – to which contract management could perhaps be outsourced, along with responsibility for co-ordinating and reporting social value.

There was tentative support for such an idea. Although cost would be a problem it was also seen as offering perhaps the best option for combined action on social value across public authorities.

Several participants noted that if such an approach were to be taken it is important that it doesn't become an overly 'technocratic' solution: for example, it should also “collect stories because this is an appropriate way of illustrating softer outcomes”.

### ***Not just financial proxies***

Although it was too soon for the vast majority of participants to have had an opportunity to investigate the Social Value Portal's Social Value Measurement Framework ('National TOMs Framework') mentioned earlier,<sup>18</sup> there was little enthusiasm for a measurement methodology focused overly or predominantly on financial proxies. Many felt that financial proxies are often in themselves contested; that they are not necessarily meaningful for non-specialists; and that they often fail to capture or convey wider interpretations of impact.

One participant cited the example of youth provision which had been mentioned in the introductory presentations right at the very start of the session. If young people were being supported to enter volunteering, for example, ideally one would want to know not just the immediate personal impact of the volunteering – e.g. improvements in skills, confidence and employability for the volunteer – but also the impact of the volunteering on beneficiaries *and* the long-term community impact of greater levels of youth volunteering. Financial proxies are not well-suited to such outcomes and in these instances it is likely that some kind of narrative will be more illuminating. (Helga Edstrom recommended the work of the Centre for Youth Impact as a source of cutting edge practice and reporting.)<sup>19</sup>

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<sup>18</sup> See National Framework for Social Value Measurement ('National TOMs Framework'): <http://socialvalueportal.com/national-toms/>.

<sup>19</sup> See: <http://www.youthimpact.uk>.

From a health perspective, there was wide agreement that wellness could be used to offer a common measure to which many different types of providers and services could contribute.

Again, several participants emphasised the importance of case studies, narratives and story telling as part of the overall reporting mix. One noted that social value should have something to say about “the authenticity of what we do” – the real outcomes that are being achieved for people.

Alison Sharp (University of Birmingham) noted that social enterprises that need some assistance to gather appropriate feedback (e.g. client interviews) or outcomes data may be able to benefit from student placements or internships under various schemes operated by the University of Birmingham. (BSSEC has promoted these schemes to the social enterprise sector for several years now and the take-up has been very good indeed.)

### ***Focusing on the most disadvantaged & co-ordinating social value***

In order to enable efforts to be focused on the most disadvantaged 10,000, however, it was noted that employment support would need to be not just a central feature but also significantly improved in terms of quality and outcomes. Too many existing providers (and programmes) of employment support focus on “the easy wins” because this improves what can be earned out of a contract. Some social enterprise providers have a better track record, but Karolina Medwecka (BCC) noted that while this is true substantial numbers of social enterprise employment support providers are themselves not sustainable. Melanie Mills (BSC) suggested that measures to address this have been tried before – and with some success.

A new Future Jobs-style employment support programme targeting the most disadvantaged 10,000 could be used to align the efforts of key providers while also acting as a framework – a sort of common pot – for in-kind, social value contributions.

However, focusing social value outcomes on any particular group or issue requires a far more co-ordinated approach to social value than we currently have. How to co-ordinate or ‘orchestrate’ social value outcomes so that particular groups and/or issues are targeted is largely untested at the moment. In addition, the challenges involved in developing a social value strategy capable of working across sectors, agencies and services – as applicable to health as it is other public authorities; speaking both the language of the third sector *and* businesses – would be considerable.

But if we do want to find a way to focus social value where it is most needed, then this is the kind of approach we need to try.

## ***Need for a social value strategy***

Simon Fenton (Forward Carers) noted that there are big differences between purchasing, procurement and commissioning. Each is a slightly different activity, and each in its own particular way is quite narrow – although commissioning does have the merit that it makes commissioning for specific outcomes possible. There was widespread agreement that Birmingham needs a social value strategy capable of drawing together the various strands of and contributors to social value.

It must be emphasised, however, that in order to be genuinely useful, a Birmingham social value strategy would have to be meaningful not just to public procurement specialists but also across public authorities including health, to social enterprise and the third sector, and to the private sector.

But ultimately, social value strategies will also be required at the GBSLEP level and at the WMCA level. BSSEC would be happy to work with BCC and others to contribute to a social value strategy at the city level; others may be better situated to help at the GBSLEP and WMCA levels. In her capacity as social enterprise champion for the GBSLEP, Melanie Mills has already done a lot of work in this direction with the LEP. Others here today (BSSEC for one, but there are bound to be others) would be very pleased to support Melanie in this if that would be helpful.

## **4.4 Conclusions**

We found the positions of the social enterprise participants in the first session and the strategic partners in the second to be much closer than we thought might be the case. Social enterprises feel there is a big gap between the rhetoric of social value and their experience of how the legislation is being used on the ground. But strategic partners share many of these views. They too consider that there is an evident gap between rhetoric and reality; they also feel it is time for advocates and supporters of social value to exert greater influence over the agenda.

Many strategic partners also feel that identifying social value solely with the public procurement process is too narrow an interpretation of what social can and should be.

Amongst strategic partners there was general support for:

- A Birmingham solution to social value reporting and measurement, with more focus on joining up our efforts and working together, especially in the context of the West Midlands Social Value Task Force. There was little appetite, however, for measurement methods focusing solely or primarily on financial proxies.
- Attempts to render the social value 'offers' of Birmingham Business Charter for Social Responsibility signatories more transparent by publishing these commitments along with progress and successes.

- Investigating the potential for a 'centre of excellence in social value' or something similar.
- Partnership and collaboration and the development of a Birmingham social value policy.
- The need to co-ordinate or 'orchestrate' social value so that outcomes are focused on the most disadvantaged and marginalised groups (and services).

## 5.0 RECOMMENDATIONS

It is clear that much remains to be done to continue to develop and extend the social value agenda and to improve its use in public procurement.

### ***Social enterprise sector***

1. There clearly is more that the sector and sector intermediaries need to do:
  - (a) Amongst social enterprises, social value emerges as critically linked to *communication*. It is now apparent that social enterprises may need continuing support in order to:
    - Better articulate and describe social value.
    - Devise evidence of this social value *in ways that are best suited to the enterprise and its activities*.
    - Embed a social value narrative in every aspect of how they communicate.
  - (b) If the sector is to reclaim the social value agenda it will have to be more active in promoting, supporting and shaping social value and its wider understanding.

### ***Sector intermediary bodies***

2. **Supporting social enterprises:** Sector intermediaries (such as SEUK WM, SEUK, BSSEC, Big Society Capital) should be considering whether there is a viable support role they can offer which will help the sector get better at articulating its social value.
3. **West Midlands Social Value Task Force:** Those already involved in the West Midlands Social Value Task Force can play a critical role in advocating on behalf of social value and highlighting the issues reported here.
4. **Social finance:** Social enterprises at our first event described almost wholly negative experiences of trying to utilise social finance. Those who have supported the social finance sector – financially and otherwise – and those who have influence within that sector, should be challenging social finance intermediaries to embed social value in all their lending and investment practices and decision-making and become providers of genuinely *social* finance.
5. **Greater Manchester:** We should be considering what can be learnt from Greater Manchester's example of developing co-ordinated approaches to social value and how best we can apply that learning in Birmingham. Those best situated to take a lead would seem to be intermediaries with a longer, national reach, such as Big Society Capital and SEUK, but there are many in the sector,

including BSSEC, who would be willing to help gather, digest, summarise and disseminate such learning.

### **Strategic partners**

6. **Health:** There is still no clear route into health for social enterprises wanting to assist commissioners better embed social value in commissioning, but opportunities do exist:

- There is clear potential for greater leadership in public health commissioning in particular to bring social value to the foreground in commissioning.
- It is also possible for the Birmingham & Solihull STP to better reflect social value as a key concept.

It would be a huge step forward if we could begin to see some leadership *and guidance* coming from within the health sector regarding a vision, definition and framework for social value in health commissioning.

7. **Social Value Strategies:** The need for social value strategies at the Birmingham level, the GBSLEP level, and the WMCA level has already been identified. BSSEC would be happy to work with BCC and others to contribute to a social value strategy at the city level; others may be better situated to help at the GBSLEP and WMCA levels. What is important is that these two events have revealed that there is a huge appetite both within the sector and amongst strategic partners for joint working that will help improve understanding of social value and improve how we use it and how we pursue it.

8. **Birmingham City Council & the Birmingham Business Charter for Social Responsibility:** Birmingham City Council wishes to render the social value 'offers' of Birmingham Business Charter for Social Responsibility signatories more transparent by publishing these commitments along with progress and successes. BSSEC – and perhaps others too – would be very happy to support Birmingham City Council in developing such a reporting mechanism if this would be helpful.

-Ends-

# APPENDIX 1: PARTICIPANTS

## Event 1: Social Value Roundtable – SOCIAL ENTERPRISE SECTOR Thursday 12th October 2017, Changes UK, Digbeth, Birmingham

**Irshad Baqui** Muath Trust  
**Richard Beard** Jericho Foundation  
**Graham Beaumont** Health Exchange  
**Sarah Crawley** iSE  
**Steve Dixon** Changes UK  
**Noel Dunne** Creative Alliance  
**Sally Edwards** Spot On Marketing CIC  
**Mark Ellerby** Cloudberry Innovation & Devt  
**Stuart Emmerson** SEUK West Midlands  
**Elizabeth Forrester** iSE  
**Nick Glover** GBSLEP  
**Katherine Hewitt** Gateway Family Services  
**Martin Hogg** Citizen Coaching  
**Afzal Hussain** Witton Lodge Community Assoc.

**Chantell Marler** Changes UK  
**Gabriela Matouskova** Coventry University SE  
**Conrad Parke** Sandwell MBC  
**Diane Parkes** John Taylor Hospice  
**Karolina Medwecka-Piasecka** Birmingham City Council  
**Debbie Pippard** Barrow Cadbury Trust  
**Alun Severn** BSSEC  
**Rokneddin Shariat** Social Value Plus  
**Steven Simpson** West Midlands Funders Network  
**Darren Wright** Inside Outcomes

## Event 2: Social Value Roundtable – STRATEGIC PARTNERS Wednesday 15th November 2017, Impact Hub, Digbeth, Birmingham

**Karen Booth** Abellio  
**Mark Cook** Anthony Collins Solicitors  
**Haydn Brown** Birmingham City Council Procurement  
**Maureen Griffiths** Birmingham City Council Procurement  
**Helga Edstrom** Office for Civil Society  
**Mark Ellerby** Cloudberry Innovation & Development/BSSEC  
**Simon Fenton** Forward Carers  
**Karolina Medwecka-Piasecka** Birmingham City Council  
**Melanie Mills** Big Society Capital

**Safina Mistry** Birmingham City Council Innovation  
**Adrian Phillips** Birmingham City Council Public Health  
**Debbie Pippard** Barrow Cadbury Trust  
**Richard Rose** Unity trust Bank  
**Alun Severn** BSSEC  
**Alison Sharp** University of Birmingham  
**Peter Twilley** Staffordshire University  
**Simon Veasey** iSE  
**Ian McLaughlan** GBSLEP  
**Sian Williams** Barrow Cadbury Trust  
**Rachel Woolliscroft** Wates

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