



BRIGHTEN ALL CORNERS

Maximising social value in place

By Joe Fyans, Callin McLinden & Bethanie Roughley

About Localis

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Any errors or omissions remain our own.

Joe Fyans, Callin McLinden and Bethanie Roughley

Advisory Panel

This research project was supported by an advisory panel, whose members are listed below. Advisory panel members provided one-on-one advice, attended an editorial roundtable and provided comments on report drafts. They may not necessarily agree with every analysis and recommendation made in the report.

- **Terrie Alafat CBE** – Chief Executive, Chartered Institute of Housing
- **Ben Carpenter** – Chief Executive, Social Value UK
- **Linda Damerell** – Chief Executive, Tapestry Innovation
- **Mervyn Greer** – Crown Representative, Cabinet Office
- **Richard Kennedy** – Business Humaniser, in8motion
- **Barry Malki** – Director of Communities, Social Squared
- **Barry Quirk CBE** – Chief Executive, Royal Borough of Kensington and Chelsea
- **Gary Jackson** – Group Director of Marketing Communications & Customer Success, MEARS Group PLC
- **Daniel Garfield** – Group Head of Public Relations, Thought Leadership Relationships Programme, MEARS Group PLC
- **Samer Bagaeen** – Thought Leadership Relations Programme Manager, Royal Institution of Chartered Surveyors
- **Jeff Matsu** – Senior Economist, Royal Institution of Chartered Surveyors
- **Ana Baijri** – Associate Director, Professional Standards, Royal Institution of Chartered Surveyors

Executive Summary

The Public Services (Social Value) Act 2012 was first presented to Parliament a decade ago, enshrining in law the duty of public sector commissioning to pay regard to economic, social and environmental wellbeing when making procurement decisions. In this time, the incorporation of a social value element into the assessment of public sector contracts has transitioned from a campaigning concern¹ to a statutory requirement² and finally to a universally recognised consideration in dealings with the public sector (and often within the private sector)³. With ubiquity, however, there is always the risk of complacency and genericism. The research project informing this report aimed to survey the current state of the Act's implementation in local government. Investigating through a series of interviews, roundtable discussions and open survey exercises, this report highlights several issues with implementing the Social Value Act at local level. The crux of these issues is a need for a degree of standardisation, carefully combined with a built-in consideration of local context. The proposed Community Value Charters, detailed below, are designed to meet this challenge.

Defining and understanding 'social value'

Social value is a broad concept, covering the worth of interventions beyond their initial impact. It takes account of the narrative and direction behind interventions and points to a view stretching further than direct, deductive measurement. Understood properly, social value is *cumulative*. When a shared concept of the socially valuable is engrained into the culture of a local authority and embodied in its procurement process, the combined weight of the political leadership of a council, its officers, its private sector partners and its associated public sector organisations is pulled towards its maximisation. Applied in a piecemeal way, with frequent changes in direction and shifts in emphasis, social value is reduced to little more than a buzzword. The difference between social value as a mission and as an additionality comes down to the depth of the understanding of social value in local context.

There is a significantly limited reserve of knowledge and expertise in the adjudication process of tendering contracts, particularly due to the heavy strain on resources after a decade of austerity. Understanding of the Act is also limited on the provider side, as is knowledge of factors affecting local context. This can lead to a situation of providers putting in bids with identikit social value offers across the country, and local commissioners judging these offers on a case-by-case basis, with little attention given to the possibility of cumulative impact.

1 Eccles & Phillips (2001) – The Value Reporting Revolution: Moving Beyond the Earnings Game; The SROI Network (2012) – Are we accounting for value?

2 Cabinet Office, Efficiency & Reform Group & Crown Commercial Service (2012) – Procurement policy note 10/12: The Public Services (Social Value) Act 2012

3 Cabinet Office (2015) – Social Value Act Review

The tension that arises when trying to remedy this situation is one of the most formidable challenges in realising the potential of the Social Value Act. On the one hand, there is the need for universalism so the Act can be better understood during evaluation. On the other hand particularism is also required to avoid social value offers themselves becoming generic.

For local government to maximise social value, a good balance between quantification and qualitative understanding is required. Datasets and performance indicators are of course necessary to evaluate bids and the outcome of social value initiatives, but in setting the parameters for action and evaluation there must be qualitative interpretation framed in local context. For providers, a deep understanding of social value in context can also help with the quantification side of meeting social value requirements in tenders. For example, rather than focus on social value in the monetary sense through things like training and employment, providers may be able to deliver a more locally relevant offer by focusing on natural or social capital. Understanding where social value can be most effectively realised in the context of place and the individual contract is crucial.

Cohesion, consistency and accountability

Designing, implementing and evaluating socially valuable outcomes through the procurement process can be difficult in local government due to organisational fragmentation. It can be challenging to regularly coordinate between, for example, procurement and community liaison teams in resource-stretched local authorities. Many councils have workforces focused on consulting with communities to establish priorities – the challenge is integrating their knowledge into procuring for social value along vertical and horizontal lines. Consistency in impact is also dependent on maintaining priorities over time and avoiding a shift in what social value looks like every time there is a change in political or bureaucratic management. When social value can ‘bed-in’ as a defined set of priorities, the process is easier for commissioners and contractors, as the social value element can be built into tenders from the start and evaluation can be made against a defined vision of what is socially valuable.

Accountability is an issue with implementing the Social Value Act, especially at local level. The Social Value Act is applied in different ways, on multiple contracts, often with several contract partners. This makes it difficult to distinguish who can be held accountable and where responsibility for following up lies. Without clear priorities and a lack of capacity for ongoing contract management regarding social value; value is being lost, measurements are not being adequately collected, and no one is being sufficiently held to account to provide an incentive for behaviours to change. Accountability goes beyond the internal mechanisms of council procurement. For the Act and its benefits to be well-understood locally, there must be accountability to the community for whom the service in question impacts. Transparent and collaborative social value processes can not only enrich community life by improving social infrastructure but also improve relationships between resident, council and private providers.

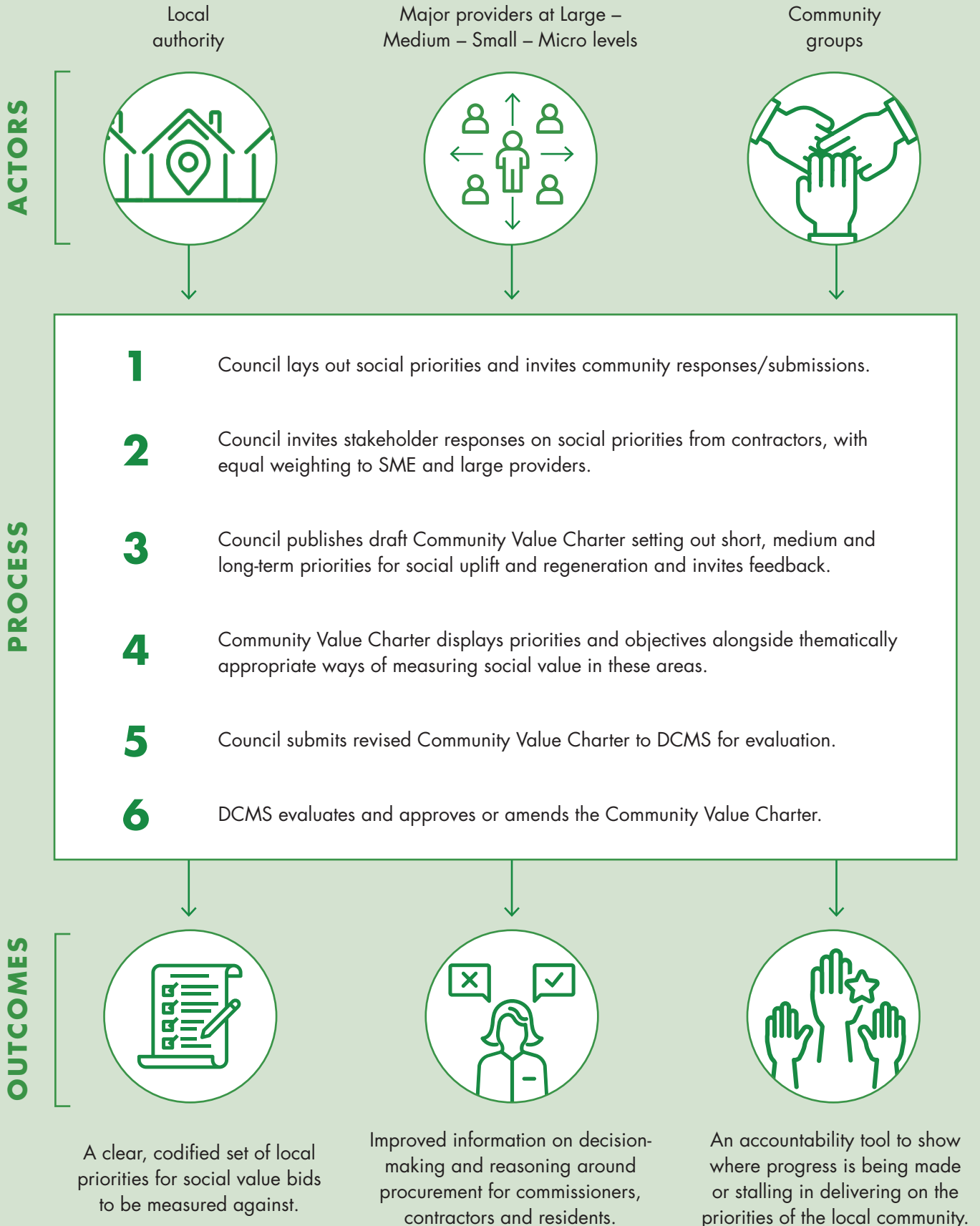
Balancing flexibility and clarity

The Community Value Charter model put forward in this report is designed to address the issues laid out with implementation of the Social Value Act at the local level, whilst also balancing the need for local flexibility and general

clarity in applying the act. On both sides of the public/private sector divide, there is scepticism towards the idea of a 'silver bullet' fix through reductive standardisation. However, across the sector, there are multiple examples of efforts to reach a common purpose in social value. The Community Value Charter model is designed to raise the baseline of social value practice without interfering with the work of councils already engaged in doing so. Complexity is written into the process to ensure local factors and community views are considered, whilst also providing a framework that can deliver greater clarity for commissioners and contractors.

The Community Value Charter Model

Actors involved, process guide and outcomes



A framework for local outcomes

Putting social value into local context is a challenge that must be overcome. This calls for an outcomes-based approach that is rooted in a set of desirable outcomes rather than blanket offers of social value. As with Local Plans for development of the built environment, or Corporate Strategies for service delivery, Community Value Charters are designed to be a framework for outcomes in the locality, co-produced by council and community. The process would involve consultation by the council with community groups and private sector partners to determine a realistic and relevant set of priorities for local social value to deliver against. Articulating cross-local priorities into a desired, outcomes-based approach would allow for social value to have a consistent standard to be measured against.

Shaping the language of social value

As with Local Plans, the production of Community Value Charters should be part of a dialogue with central government. This will help ascertain what the language of social value means locally, regionally and nationally. Many of the key issues that arise out of the application of the Social Value Act – such as inconsistency, unaccountability and inadequacy – can be attributed to the vagueness of the legislation and, more specifically, the lack of standardised language and clearly defined terms. Building an understanding of how words are being interpreted and applied across the country can help bring nuance to future policy.

A standard model of evaluation

Part of the process of drafting the Community Value Charter would be the selection of a standard indicator for the measurement of social value to be used across contracts. This is already in place for most councils. However we recommend that central government limit the measures for selection to five, to reduce confusion in the marketplace. Having a standard indicator clearly defined at the outset ensures that the process of quantification thereafter is rooted in the locally-determined Charter; boosting accountability, consistency and breaking down the inter-departmental silo-thinking that has troubled social value procurement thus far.

Recommendations

1. The Government should revise the Social Value Act with a local element requiring councils to produce **Community Value Charters** to define goals and priorities for residents.
2. Community Value Charters should be publicly available and define where social value offers would be best targeted as an aid to both commissioners and contractors placing bids.
3. As with Local Plans, Community Value Charters should be open to public consultation and review.
4. Community Value Charters should also be consulted on with a representative number of stakeholders from SMEs as well as large partner businesses.
5. The Government should define a list of approved social value metrics for quantifying the social value element of a tender.
6. Community Value Charters should be included by DCMS into the broader Civil Society Strategy.
7. Councils and contractors should set out a timeframe and measure for a re-evaluation of a social value initiative, with the possibility to break the contract if it is not being delivered.

1. Introduction

The Social Value Act is perhaps the supreme example of how a backbencher's bill can achieve an outsize impact in society. The reasons why the Act has been taken to heart in its first eight years is that suppliers want to see it work. Good providers see the inherent worth in delivering more than mere adherence to the Ts and Cs of commissioned services. The drift in modern society has been one that is bending away from the personal realm of relationships to the impersonal dictates of the contractual. Yet when used well, the Social Value Act permits contractual obligations to blossom into strong relationships, founded on trust and mutual respect between provider and the community for whom they serve.

In the early days, there was a need to understand the rules of the Social Value Act game by playing it. A certain, well-worn cynical routine would then develop when talking to providers about their experience. Suppliers would typically see the procurement exercise being conducted in time-honoured tradition, all by the books in *Official Journal of the European Union* compliant fashion. Then, citing social value, the procurement side of the table would ask, "what about all the free stuff?" Cue a desperate and sometimes despairing quest to throw available resources or any in-house surplus of staff and material that might help tip the bid favourably in the supplier's direction.

In most cases, it is safe to say the world has moved on from working out what to do with "all the free stuff". The Act itself is seen and used as a conduit to public value creation – what is good, beneficial, useful, profitable and beautiful. It opens a portal to humanitarian competition – a mutual striving for excellence. At its core, humanitarian competition compels us to confront the reality of competition while ensuring that it is rooted in a basis of humane values. In this way, it brings forth a synergistic reaction between humanitarian concerns and competitive energies.

In this context, it is a process by which acting with a sense of sincerity, purpose and conviction, private suppliers and public commissioners unite in shared determination to demonstrate what is fully possible. By doing so, they improve lives and life chances and enhance the places in which public goods and services are delivered. In essence, the Social Value Act taps into the inherent desire of companies to fulfil a genuine sense of social purpose in providing local public services and meets the needs and requirements of the local state to capture all available social, economic and environmental value on behalf of the places and the people they serve. As the report states, this must be conducted with a sense of mission, not as a mere additionality to a public exercise.

Time passes on and as we move into the second decade of the Social Value Act there is a strong call to improve and refine the process at the level of place. To fill out all the pockets, maximise the benefits and understand the importance of local context and how to succeed on this basis.

The importance of words can never be underestimated. To enhance the operation of social value in place we require a specific form of universal standard and local freedom, between the universal and the place particular. This might on the surface seem paradoxical but to our thinking, this is a unity and not a duality around which to base a better social value paradigm. In thinking about this, one could consider the rules of language themselves and the distinction drawn by Ferdinand de Saussure in his 'Course in General Linguistics' between the 'langue' and the 'parole'. For Saussure, language embraced the underlying and systematic rules of a signifying system – one that lies independent of individual users. 'Parole' or speech refers to the concrete uses of language in everyday life – individual, personal acts of speech or a 'mouthful of air' as W.B. Yeats memorably put it.

Advancing the cause of social value will mean building on a stronger, more readily understood language. This will ensure that local actions on the ground can be communicated more efficiently, the benefits translated more effectively according to the needs and wishes of the communities that services are commissioned for in the first place. Further, it is a language that is conducive to genuine dialogue which in turn fosters greater understanding, mutual trust and respect in all corners of life. Understanding this language and using it wisely has the potential to unlock great latent value in our local public services, our local economies, communities as well as public and civic spaces.

It is analogous to a fire being produced by a stone taken from the bottom of a river, or a lantern lighting up a place that has been dark for a long time. It is a universal language of social value that can be spoken and applied anywhere to maximise the quality of place, to brighten all corners. Let's learn to speak it well.

2. The Social Value Act in Practice

Key Points

1. To move from social impact to social value, the concept needs to be positioned to the centre of thinking, where councils, commissioners, bidders and private/third sector organisations all work to ensure that social value is essential rather than an add-on.
2. Designing and responding to tenders in a way that realises the potential of the Social Value Act is much easier when both councils and providers have a clear conception of what needs to be achieved locally and how social value in procurement can help achieve these goals.
3. A well-defined and locally-agreed vision can centre social value, whilst making process and outcome more transparent and more tangible for residents.
4. Without clear priorities, a lack of capacity for ongoing contract management regarding social value means that much value is being lost, measurements are not being adequately collected and no one is being sufficiently held to account to provide an incentive for these behaviours to change.

Eight years after the Public Services (Social Value) Act was passed by the House of Commons – and a decade after it was first brought to the chamber as a private member’s bill by Chris White, then MP for Warwick and Leamington – a wealth of practical experience in its application has been amassed. This section looks at the experience of practitioners from both sides of the procurement process in local government and highlights some key issues with implementation that Community Value Charters could address. Investigating its impact through a series of interviews, roundtable discussions and open survey exercises, research carried out for this report has identified several issues with the Social Value Act’s implementation. At local government level, these issues amount to a need for a degree of standardisation, carefully combined with a built-in consideration of the local context.

The Public Services (Social Value) Act 2012

- First brought to the house in 2010 by Chris White MP.
- Campaigned for by organisations such as Social Value UK.
- Requires all public sector bodies in England to consider social value in commissioning and procurement.
- Focuses on maximising the 'triple bottom line' of sustainable development: people, planet and profit.
- Regular review of the Act: the most recent began in 2019.

2.1 Defining social value

Defining social value is made simpler by comparing the concept to 'social impact'. Social value is the relative worth to society of policy interventions, corporate initiatives or community action – this worth can be quantified but is not always easily captured through traditional economic metrics. Social impact is more narrowly focused than social value and looks at the direct causality between an activity and its social outcome⁴. The terms are often used interchangeably, when talking of the 'social value' or 'social impact' of a contractual obligation. The difference, however, is in the contextual and cumulative nature of social value as a broader concept. Social impact can be measured in relatively objective terms – the impact of X intervention on Y environment⁵ – social value is what this means to people in practice. In local government procurement, outcomes for a place and everyone living in it can be improved by moving from a contract-to-contract focus on social impact to embedding social value as a guiding principle.

To move from social impact to social value, the concept needs to be positioned at the centre of thinking; where councils, commissioners, bidders and private sector organisations all work to ensure that social value is essential rather than an add-on⁶. There also needs to be a change in mindset. Social value needs to be understood, not as an additionality or replacement for delivering a public service or good but, as a complementary aspect of council strategy. Councils that take this approach to social value procurement and build upon it with private sector partners and the local community are realising the most effective implementation of the Social Value Act. At its least effective, social value is a management-speak buzzword and a box to tick on an online procurement portal. The difference is made by the depth of understanding of what social value looks like in the local context.

4 The Guardian (2012) – Beyond social impact to social value

5 Midland Heart (2013) – Journey to Impact, A practitioner perspective on measuring social impact

6 Social Enterprise UK (2017) – Our Money, Our Future



Case study: Coventry City Council

Coventry City Council has established a Social Value Procurement Working Group which works in partnership both internally and externally with businesses, social enterprises, voluntary sector and interest groups to deliver social value outcomes⁷. This also includes Principle Owners who are experts and represent three areas; Economic, Environment and Social, to advise the procurement team how to achieve benefits through social value implementation.

A 2019 Social Value UK survey asked councillors, officers and the senior leadership team across local councils if they had a good understanding and knowledge of the Social Value Act. Three-quarters of those who did not understand the Social Value Act were councillors and a quarter were from the senior leadership team. The group who strongly agreed that they had a good understanding of the Social Value Act were the council officers at 51.9 percent⁸. This survey indicates that councillors have the least understanding of the Social Value Act, with the officers having the best understanding and senior leadership teams sitting somewhere in between.

For social value to be realised, it requires that the councillors, officers and senior leadership understand the importance and value that can be gained from embedding social value throughout an organisation. Furthermore, there is a role for professional and accrediting bodies in ensuring that their members are aware of the Act and of the ways in which they can work in partnership with organisations or individuals in other sectors to deliver socially-valuable outcomes. From public sector finance directors to individual private consultants, achieving proper consideration of social value in decision-making can be as simple as raising awareness.

2.2 Contextualising social value

An understanding of what social value means within the local context is crucial to achieving the goals of the Act. This theme arose continually when conducting interviews and roundtable discussions for this research. Yet there is a limited reserve of this kind of expertise in the adjudication process of tendering contracts, particularly at the local level due to the massive strain on resources since austerity. On the other hand, there is the issue of how well providers understand social value. If the social value requirement in a tender is unclear, it bakes vagueness into the process. It is from these concerns that the need to arrive at a certain universalism in social value commissioning arises. Commissioners told us of frustration with companies providing “fairly standard” examples

⁷ Coventry City Council (2016) – Social Value Toolkit

⁸ Social Enterprise UK (2019) – Front and Centre Putting Social Value at the Heart of Inclusive Growth

to meet the social value requirements. Providers spoke of a lack of clarity or direction in what is required of a bid and how it would be priced and valued overall. Context, as well as training, awareness and understanding is needed on both sides of the process.

There is a tension in trying to achieve a level of standardisation in an inherently contextual policy area like social value. A universal standard potentially risks organisations on both sides of the procurement process ‘socialwashing’ by producing a generic social value offer which holds little value in local context. Yet a degree of objectivity is needed; the concept and terminology of social value is well known – but without quantifiable performance indicators it can be hard to ascertain whether this is translating to meaningful change. A good balance between quantification and qualitative understanding is, therefore, required at the local level. Datasets and key performance indicators are necessary to evaluate bids and the outcome of social value initiatives, but in setting the parameters for action and evaluation there must be some qualitative interpretation of the local context.



Case study: MEARS InsightMapper tool

To help maximise social value within the local context, MEARS and TerraQuest have produced a ‘community insight tool’ which pulls together and maps information on the demographics and pressing social issues of local authorities. Information is provided on data-lines like crime prevalence, material deprivation, social isolation and public health. These indicators can be layered onto local maps to show where social value interventions might best be targeted. Using tools like InsightMapper, along with community consultation, can help local democratic leadership set priorities for what can be achieved through social value procurement and also provides a baseline to measure success against.

2.2.1 Communicating with providers

For companies in the private sector working regularly with local authorities, a deep and contextual understanding can also help with quantifying the totality of their social impact within a place as social value. One example given during a research interview was a company who had been offering its unused spare meeting spaces for a small local charity without realising that this was in of itself a social value offer to the council. Sharing a clear vision of the kind of action that is most socially valuable locally – from the availability of space or the provision of training – would signal private sector providers to consider the totality of their social impact and its value within a place. This kind of information-sharing could help alleviate some of the difficulties that providers face in applying the various measurement tools, as some can be hard work and intensive. This was reaffirmed when speaking to stakeholders who regularly bid for tenders put out by local

authorities, many of whom said that they find it difficult knowing what the local authority is looking for. From a bidding perspective, they would appreciate clarity from the councils on issues including:

- How do local authorities compare the offers before they are written into a contract?
- Do they want social value as an additionality or embedded throughout?
- Do they want a pound value or a ratio measure?
- If the council is vague about what they want from social value, how do they compare bids?
- What do they value as the most important?

The task of designing and responding to tenders in a way that realises the potential of the Social Value Act is much easier when both councils and providers have a clear conception of what needs to be achieved locally and how social value in procurement can help achieve those goals. Councils must clearly inform providers what their social value goals are, and then tailor what these desired outcomes should look like in the contractual stage.



Case Study: Transport for London

Taking a broad, 'whole place' approach to social value, Transport for London considers both the physical and economic side of improving health when planning and assessing transport schemes. The Mayor of London launched the 'Healthy Streets' approach to improve air quality and make communities greener and healthier⁹. The wider social benefits from this scheme will extend out to businesses by making roads more efficient. They aim to quantify health benefits where possible and use 'Valuing the health benefit of transport schemes: guidance for London'¹⁰. To encourage commissioners and contractors to consider how to improve health when transport planning, TfL have produced a guide which includes two key measurements: HEAT and SART¹¹. HEAT measures the deaths prevented as a result of increased cycling or walking whilst SART calculates the number of sick days prevented as a result of people shifting from inactive to active.

2.2.2 Communicating with residents

Local government, along with its related public institutions and private providers, has a duty to inform the public of what is being targeted and achieved through social value initiatives. This can be achieved in part by engaging the local community in setting priorities and outlining areas where social impact would be the most valuable. Beyond this, there should also be general communication on the social value accumulated in the implementation of public contracts. This could be as simple as publicising the monetary value of things like

⁹ Transport for London (2017) – Healthy Streets for London

¹⁰ Transport for London (2019) – Transport & Health

¹¹ Transport for London (2015) – Valuing the health benefits of transport schemes

apprenticeships given through social value clauses, or the capital kept in the community through local supply chains. Where procurement is looking to find social value of a different kind – in natural capital, for example – it is important to communicate the benefits accrued in things like air quality or recreational space.

2.3 Consistency in social value procurement

One senior local government official described social value as ‘candy floss without a stick’ – it needs something to hold it together. Designing, implementing and evaluating socially valuable outcomes through the procurement process can be difficult in local government due to organisational fragmentation. For social value to be at its most effective, there must be coordination across silos. However, it can be challenging to regularly coordinate between, for example, procurement and community liaison teams in resource-stretched local authorities. This can lead to social value offers that are suboptimal in the local context; a major housing commission might be awarded the social value provision of several apprenticeships in a local authority where community facilities need investment or repair. A bidder offering the latter would be preferable in the local context but in terms of cash value, the apprenticeships may be worth more.

Many councils have workforces focused on consulting with communities to establish priorities; the challenge is integrating their knowledge into procuring for social value. Internally, it is also important for different departments to have a shared understanding of local priorities. Where this understanding exists, all kinds of goods and service procurement can add different pieces to the jigsaw of socially-valuable outcomes. Furthermore, it can help embed into practice a strong, council-wide commitment to social value. If applied in a piecemeal way with varying levels of commitment, the social impact of procurement may fail to become tangibly beneficial. Consistency in impact is also dependent on maintaining priorities over time and avoiding a shift in what social value looks like every time there is a change in political or bureaucratic management. Many practitioners interviewed for this research spoke of the need for priorities and results of initiatives to ‘bed in’. A consistent and well-defined set of priorities for social value makes the process easier for bidding contractors as well, allowing the social value element to be built into tenders from the start, rather than as an ad-hoc additionality.

Many private suppliers have longstanding relations with their partner councils. Clear definitions of what is socially valuable locally can help the concept become embedded into commercial practice. This moves social value away from the tail-end of performance and opens opportunities for deeper and more meaningful collaboration, rebuilding social architecture in a way where the socially valuable contributions of councils and private sector companies are transparent. A well-defined mission can perform this function, whilst making social value itself more transparent and more tangible for residents. This transparency also provides guidance for national firms that are working with different councils across the country on how to apply the act in different places.



Case Study: Cumbria County Council

The council wanted to ensure that social value clauses were used in every appropriate contract and appointed a Third Sector Programme Manager to maximise the social value response to public sector procurement¹². They put in place a Sustainable Procurement Strategy that outlines their approach to procurement. Working with third sector organisations to include social value clauses, where services were previously run according to service level agreements, has allowed for a wider scope to explore socially beneficial opportunities. The key to their success has been in providing 'ready-made' clauses, helping commissioners understand why it matters and how it is possible to include these clauses when tendering contracts. For instance, Cumbria's childrens' centres ensured volunteers' involvement and training whilst also providing complementary services to the community which is in parallel to the contract.

2.4 Improving accountability

At the back end of the procurement process, the lack of follow-up on social value pledges is a major issue with the implementation of the Social Value Act. This, again, often comes down to the severe resource constraints in which local government commissioners operate. In the private sector, longstanding commitment to pledges often comes down to the internal culture of accountability within an organisation, rather than external legislative constraints¹³. The collapse of Carillion and other instances of unethical commercialism¹⁴ illustrates the importance of holding commissioners and providers accountable for delivering social value¹⁵. Legal obligations, particularly if attached to locally-agreed priorities and values, could augment other 'bottom-up' forms of accountability such as satisfaction ratings in league tables, long considered to be 'blunt tools' for delivering positive outcomes¹⁶.

A social value break clause would be an answer to calls for more productive accountability measures in the public sector. This would focus on getting local priorities straight and the social value offer clear at the very outset rather than a blame game in the aftermath. The Institute for Government recommends seven ways to strengthen accountability across government¹⁷, of which the following would apply to monitor government contracts with private providers:

- Improve transparency around the feasibility of major projects.

12 Cumbria County Council (2017) – A Social Value Toolkit: For Commissioners and Procurers

13 Nina Boeger (2017) – Reappraising the UK social value legislation

14 Localis (2018) – Ethical Commercialism, Reforming Public Service Markets

15 Reform (2019) – Please Procure Responsibly, The state of public service commissioning

16 Harvey Goldstein (1996) – League Tables and Their Limitations: Statistical Issues in Comparisons of Institutional Performance

17 Institute for Government (2018) – Accountability in modern government, Recommendations for change

- Clarify what public services citizens get for their money (*in this case, what social value is delivered*).
- Ensure the government policies have strong accountability arrangements built in.
- Strengthen scrutiny of the links between local public services.

Without clear priorities, a lack of capacity for ongoing contract management regarding social value means that much value is being lost, measurements are not being adequately collected and no one is being held sufficiently to account to provide an incentive for sub-optimal behaviours to change. Institutional memory can be as important to accountability as regulations. To ensure accountability there is a necessity to appreciate where and when issues have arisen in the past and how they can be mitigated effectively without undermining the needs of local communities. On the other side of the coin, the question that subsequently arises is who commissioners and procurers are accountable to. Whilst accountability can sometimes be addressed through a framework or a set of mechanisms, this does not necessarily translate well to local people and can leave them disillusioned and disenfranchised.

One potential way to address this issue and inspire a culture of local accountability would be to incorporate a referencing-type system, which could be built into Community Value Charters. When a tender is submitted against a big contract with a large social value component, a record of previous clients or local authorities who have commissioned services to that organisation in the past could be made available. There is often overpromising at the start of contracts and then, if there are contractual difficulties, social value aspects wither away, and it becomes about merely delivering the core elements. If there were a formal means of going back and getting references around the delivery of social value for contracts then, not only would organisations be able to execute more well-informed decisions, there would also be an incentive for social value to become a priority and for promises to be delivered.

2.5 Balancing flexibility and clarity

Despite the issues with consistency and understanding, there is great scepticism toward the idea of a uniform social value measurement. Competition between contractors and commissioners means you cannot reduce everything down to a baseline measure – certainly not a measure determined before considering the local context. Focusing solely on a single composite measure risks the trappings of a ‘silver bullet’ mentality unless couched in a qualitative and collaborative assessment of community priorities. There needs to be confidence when looking at both numbers and the story behind them. Standardisation to an extent remains necessary as a form of objective evaluation, a principle-based approach simply helps nuance and contextualise metrics. An apprenticeship for someone who has just come out of Eton is very different in value to someone who is affected by a fundamental lack of opportunity. There must be clarity on what is valuable in the local context and how it will be measured.

Flexibility in measurement can help councils extend social value assessments beyond the economic realm. Value for money and revenue pressures are bound to be at the forefront of concerns for a local authority but residents may find greater value in less easily-priced improvement. The legislation defines social value as an improvement on the economic, social and environmental wellbeing of a place but the current environment and institutional conditioning tend to favour

the economic. Local jobs and public sector savings are crucial to all councils and communities, but a more deliberative and co-produced approach to social value might unlock other priorities. Cultural identity, place and national identity or a lack of identity are as much a consideration as economic value – not to mention the environment and other community assets.

If it is not made clear what constitutes 'good' social value practice in a given community then the whole thing could end up like 'greenwashing'¹⁸ where public cynicism begins to build in the face of perceived inaction. Complexity needs to be written into the process to ensure flexibility as well as clarity: there will need to be specific measures for specific aspects of social value within specific contracts. If it is just "one apprenticeship for every million pounds spent", there is no room for a local contextual understanding of providing social value. There are many aspects to what is valuable to local communities and there is a need for evaluation even where providers cannot necessarily provide quantification. Once you have a sense of assurance, there ought to be a means of confirming that the service and the forecast delivered is legitimate and has followed certain principles.

18 Siano et al (2017) – "More than words": Expanding the taxonomy of greenwashing after the Volkswagen scandal

3. Measuring the ‘Value’ in Social Value

Key Points

1. As social value can be incorporated into contracts across a wider variety of sectors including; housing, services, goods, education and the environment, it makes sense that a wide span of measurements have emerged.
2. To embed social value across all aspects of local government, councillors, officers and the senior leadership team all need a greater understanding of and be given the confidence to direct social value.
3. In refining and updating social value legislation, government should set out a shortlist of possible social value measurements to simplify the process.

There are many ways of measuring social value, leading to confusion and inconsistency in many cases. This section will outline the current variants in measurements to lay out what is best used where and demonstrate the options available in drawing up Community Value Charters. For the purpose of this research, it will not be possible to mention them all, only to highlight the key measurements used by many commissioners. In refining and updating social value legislation, government should set out a shortlist of possible social value measurements to simplify the process without resorting to the reductive approach of a single approved metric.

The Chartered Institute for Housing¹⁹ outlines four key steps to ensuring social value is realised:

- Have you defined the vision?
- Have you integrated the approach across the business?
- Is there partnership working?
- Can the impact of the social value be measured?

These questions work well as a starting point for thinking about social value, however, many measurements go much further and into much greater detail. The problem of measurement as a barrier to embedding social value across wider areas is illustrated by Social Enterprise UK’s survey which found that over 45%

¹⁹ The Chartered Institute for Housing (2015) – New Approaches to Delivering Social Value

of respondents did not feel capable of confidently measuring the impact of social value²⁰. To embed social value across all aspects of local government, councillors, officers and the senior leadership team all need to have greater understanding and be inspired enough to direct social value with confidence. Creating a shortlist of potential measures would simplify this and make it easier to embed social value throughout councils and procurement organisations.

3.1 Balanced scorecard

In 2016, the Government announced the new scorecard system, designed to maximise the positive impact on economic growth of government procurement. The idea is to use this scorecard when government departments are investing in infrastructure or capital investment procurement projects worth over £10 million. The scorecard is composed of strategic themes, for instance, sustainability or the supply chain. Within this mesh, there are critical success factors to measure how positive outcomes can be achieved within a certain theme²¹. These are evaluated and used to inform individual projects. However, the current ongoing government consultation hopes to extend beyond the requirements of the scorecard to ensure that social impact is part of the award criteria and proportional to what is being contracted²².

One key criticism of the current operation of the scorecard is that government departments are far removed from local delivery and so the evaluation of social value in these contracts is not easy for those designing the procurement. In response to this, the Cabinet Office and Department for Digital, Culture, Media and Sport have designed a social value delivery model which uses best practice examples in local government. One positive of this new model is that bidders' responses will be scored against qualitative aspects, which is good because, as mentioned in section 2.1.1, measurement needs to consider what truly matters.

3.2 National TOMs framework

The Themes, Outcomes, Measures (TOMs) framework prioritises local need by engaging directly with the people who will use the services being created. A small proportion of the respondents to our survey claimed that they currently use the TOMs framework. The framework provides flexible tools for engaging with stakeholders at the measurement and procurement stages²³. It is based on the principle of involving stakeholders, so that their needs and voices are heard, leading to improved decision-making and maximising social value. This also aims to provide a consistent approach and a robust, transparent solution for awarding contracts²⁴. It is composed of a 'Needs and Priorities Survey' to collect community priorities and a 'Reporting Form' that connects to the procurement calculator. By understanding local priorities, such as improving the environment, social cohesion, local skills and employment, commissioners would be better informed of what is needed in the community when procuring.

However, procurement officers surveyed for this research tend to use it alongside other scorecard measurements. When speaking with a stakeholder involved, they believed that measurements need more flexibility. Given that many contracts span over the long term, they need to consider how and why future outcomes may

20 Social Enterprise UK (2019) – Front and Centre Putting Social Value at the Heart of Inclusive Growth

21 Crown Commercial Service (2016) – Procurement Policy Note – Procuring Growth Balanced Scorecard

22 Cabinet Office (2019) – Social Value in Government Procurement

23 The Social Value Portal (2019) – Engaging with Stakeholders, The National TOMs 2019

24 National Social Value Taskforce (2019) – National TOMs Framework 2019 Guidance for social value measurement

change, for example through demographic and economic pressures, to allow for social value requirements to adapt. Social Enterprise UK also reaffirms this view, as they found that councils with less confidence in assessing social value felt unable to adapt it and, therefore did not capture the full extent of social value with this framework²⁵. Furthermore, the guidance for using TOMs admits that the numbers do not show the whole story – social value effects that cannot be counted numerically should be recorded even if they cannot be converted to a monetary value. This indicates that the TOMs measurement does not go far enough and that another measure is needed.

3.3 Social Return on Investment (SROI)

One of the more popular, well-understood and long-standing measurements for establishing a wider concept of value is Social Return on Investment (SROI). The measurement includes economic, social and environmental outcomes and is often presented in the form of a ratio indicating that for every £1 spent, X amount will be delivered in value²⁶. These evaluations can be extensive and include the following principles:

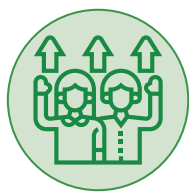
- Stakeholder involvement
- Understanding what changes
- Valuing the things that matter
- Transparency
- Verifying results

However, this measurement is also known to be time-consuming, especially if analysing SROI across an entire organisation rather than a project. Another criticism is that there is a large variability in how SROI is applied, making comparisons between SROI evaluations difficult²⁷.

25 Social Enterprise UK (2019) – Front and Centre Putting Social Value at the Heart of Inclusive Growth

26 The SROI Network (2012) – A guide to Social Return on Investment

27 Pathik Pathak and Pratik Dattani (2014) – Social Return on Investment: three technical challenges



Case Study: Social Value Engine

The Social Value Engine uses SROI to assess social value and was created in partnership by Rose Regeneration and the East Riding of Yorkshire Council. This has been accredited by Social Value UK and provides training for the local authorities or other public bodies that choose to use this method. This way of measuring social value is different because it involves helping the people using the methodology to learn how to choose different financial proxies to personalise the measurement tool to the type of commissioning.

The social value engine assessed the success of East Riding Voluntary Action Services (a service funded by the council) to analyse the value delivered by the support contracts between 2012-2016²⁸. This report and measurement tool is accredited by Social Value UK and International Certificate²⁹. This includes a social value assurance standard which gives accreditation and is awarded to organisations or specific projects to recognise maximising social value³⁰. The Social Value Engine has this accreditation, which provides confidence in the measuring tool whilst also assessing how the tool could be improved to maximise social value.

3.4 NEF Prove and Improve Toolkit

This toolkit aims to help any organisation trying to deliver social, environmental and economic benefits such as social enterprises, charities and community or voluntary organisations. This uses an 'Impact Map' which has

Inputs > Activities > Outputs > Outcomes > Expected Impact

as a chart that helps organisations think about how their activities lead to change³¹. There is also a useful 'tool decider' that is comprised of a large wheel with different measurement tools, helping organisations decide which tool is best to measure their project³². The 'Prove It!' tool is best suited for measuring the impact of regeneration in communities on local people's lives. It incorporates three main tools³³:

1. A storyboard exercise for understanding how a project's intended activities will lead to change;
2. A survey questionnaire used at the start and the end of the project;
3. An evaluation exercise that reflects the impacts and lessons learnt at the end

28 Rose Regeneration (2016) – Analysis of Value Delivered in Terms of East Riding of Yorkshire Council VCS Support Contract 2012-2016

29 Social Value UK (2019) – The Social Value Certificate

30 Social Value International (2017) – Assurance Standard

31 NEF Consulting (2019) – Towards the new economy The Ten Elements

32 NEF Consulting (2019) – Tool decider: choosing the right tool for your organisation

33 NEF Consulting (2019) – Prove It!

of a project.

This is a simple tool which has flexibility for adaptation and aims to tell a story about the specifics of a certain project. However, there is a potential for bias in the answers from participants and it may not identify external activities that can influence people's quality of life in the area.

3.5 Social Impact – A wellbeing value approach

The purpose of this approach is to value the impact of housing providers' activities on residents. It seeks to value interventions based on individual life satisfaction. This includes a Social Value Bank, a Value Calculator and an Impact Valuation Statement which outlines the social impact of community investment³⁴. The importance of the Wellbeing Valuation (which is featured in the HM Treasury's well-renowned 'Green Book') is that it provides a measurement for things that do not count within a market. This measurement requires that each housing association publishes a self-assessment annually, providing a rigorous approach to measuring social impact. This measurement, although tailored to housing, has transferable values that aren't unique to housing. For instance, it measures the wellbeing from someone feeling more confident or not being in debt any longer.

There is a perception that social value measures are largely more applicable to housing, but with a social impact approach, the applicability of social value metrics broaden. This measurement also provides a framework to help users apply the wellbeing values to the activities and is designed to be proportionate. One of the limitations with this measurement is that it averages out the experience of individual interventions. Another problem is that when measuring values such as an individual's confidence increasing, this is a binary value, which does not account for the extent to which the confidence has increased. This also accounts for a small amount for deadweight (what would have happened anyway) but does not account for how much the change is due to the project specifically. Despite this, a stakeholder that bids for contracts argues that this is a simpler way to measure but not if you want to find a monetary value. It also uses precalculated values, selected from twelve housing providers input to outline the most popular community investment-related outcomes. Although these measurements create an overall picture of the value of community investment, the figures do not represent real forms of money or financial return.

3.6 The Social Value Portal

The Social Value Portal manages and measures the impact of social value on behalf of the providers or organisations, offering procurement support alongside delivering workshops and training. However, providers must pay a small percentage to the social value portal to conduct these services. A stakeholder involved with social enterprises believes that this might deter providers from wanting to seriously consider social value. It may have the perverse effect of deterring providers from making a real concerted effort to deliver social value if they must pay to manage the delivery of it. This is very similar to the Social Profit Calculator which is another service used by Oldham Council and Glasgow City Council³⁵. They offer several different tools for measuring including the social profit calculator, social value procurement portal and

34 HACT (2014) – Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach

35 Social Profit Calculator (2019) – Welcome to the Social Profit Calculator

an impact measurement app.

Many councils choosing to use these services do so because they give good measurement results and help reduce the workload of commissioners. Yet this is also problematic because it separates the measuring of social value away from commissioners within councils. This means the commissioners are following through on the delivery of goods and services on behalf of the council to the community but miss the bigger picture of delivering social value through this. For less confident councils that do not have the staff, resources or time to follow up on social value components, they may rely more on tools such as the social value portal to ensure social value is fully realised. The social value portal helped One Manchester fully realise social value throughout its procurement strategy in the case study below.



Case study: One Manchester

One Manchester provides housing and community services and holds social investment as one of its key drivers. They appointed a Social Value Lead in 2016, aiming to embed social value at 20% through all tender contracts³⁶. Social value was inconsistently applied internally throughout the organisation and on an external level, the success was mixed with suppliers. They addressed this consistency by taking the following steps:

- adapting a local focus
- creating links between the procurement process and supporting bidders to achieve pledges
- creating a social value toolkit
- an organisation-wide social value policy
- proactive contract management.

This action has resulted in the commissioning of more than 30 contracts that are active with social value included and social value has increased from £3 million to £17 million within the last two years. This shows the effective work of the social value portal. However, when speaking to a stakeholder involved with social enterprises, they believed that there would be more cost-effective ways for councils to use the money, instead of paying an external portal to help realise social value.

There is a wide variety of different types of measurements, that all claim to be the best or most effective way to deliver social value. Yet the vast amount of measurements available are almost making it more complicated than it needs to be. Particularly for social enterprises that may have innovative approaches to delivering value throughout their organisation but that do not come under the current narrow ways of measuring social value. Instead, social value needs to be reconceptualised so that it is truly embedded throughout organisational practices.

36 Social Value Portal (2019) – Embedding Social Value into Procurement

4. Community Value Charters

Key Points

1. This chapter argues for an approach to standardising social value based on three principles:
 1. A framework for setting local outcomes
 2. A standard model for evaluating social value of bids
 3. An accepted language for social value

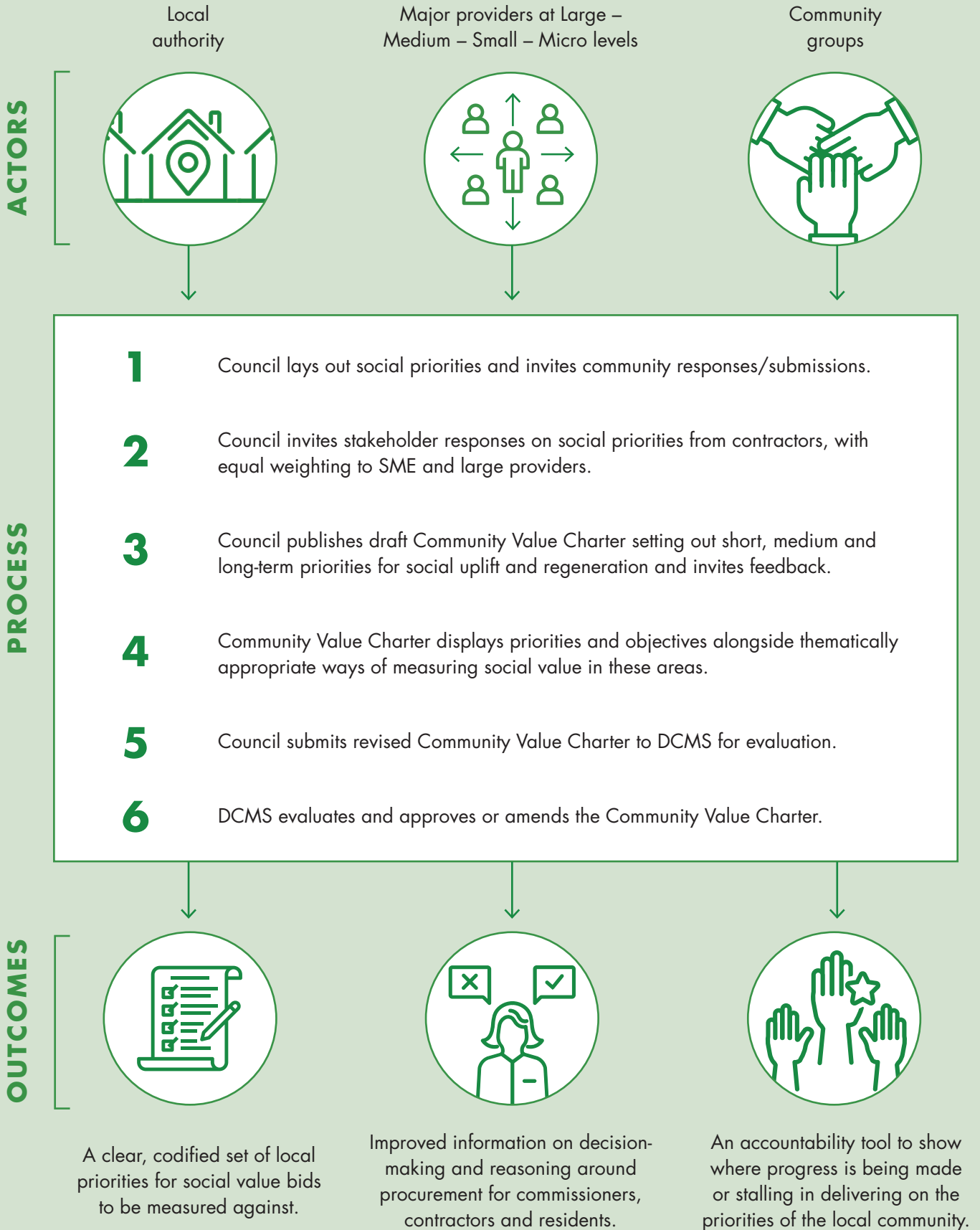
To summarise the report thus far, the underlying research has identified the following requirements:

1. Social value must be a central tenet of local government commissioning and its broader relations with the private sector.
2. Social value must be contextualised, and the local community must be consulted on what social value looks like in their area.
3. Clear, overarching goals of social value procurement must be available to and understood by council, community and private sector.
4. Accountability for failure to deliver on social value promises must be ensured and made transparent to residents.
5. A reasonable shortlist of metrics for social value measurement should be decided by government so that councils, residents and providers can collectively decide on the appropriate forms for local action.

To meet these requirements, we recommend that an updated and expanded Social Value Act set the requirement for councils to develop **Community Value Charters** to set a framework for local outcomes, establish relevant terminology and decide a standard model for evaluating local bids. These Charters would be approved by the Department for Digital, Culture, Media and Sport as part of their Civil Society brief. Beyond their local value, the process of drawing up and ratifying Community Value Charters would provide insight for central government into how social value is conceptualised and applied in different parts of the country and help move towards a mutually-established and accepted language of social value in England.

The Community Value Charter Model

Actors involved, process guide and outcomes



4.1 A framework for local outcomes

The lack of clear local frameworks for social value leads to the provision of what one senior commissioner described as “fairly standard” social value offers. On the one hand, this can lead to a surplus-like effect where local areas end up with a saturation of generic social value in place of offers that are of specific value to the area in question. On the other, organisations may be providing social value but, due to a similar lack of understanding, do not realise it and the value fails to be captured. This calls for an outcomes-based approach that is rooted in a set of desirable outcomes rather than blanket offers of social value. Only by identifying a set of social value measures that can inspire consensus at a strategic level will an understanding be reached throughout the commissioning process on priorities from bid to bid. Priorities should be articulated in a coherent, cross-council and conciliatory manner.

This ought to be done through consultation with communities and sectors. By articulating cross-local priorities into a desired, outcomes-based approach, this will allow for social value to have a consistent standard to be measured against. There is already a cross-council precedent for this kind of co-production in the planning space, in the form of local plans. Local plans are put forward by local authorities as a means of setting out what opportunities are available for development in their area whilst designating what is permitted and where. As the first consideration of any development proposals, local plans ensure that decision-making and practices are effectively guided toward the proliferation of desired social, economic and environmental outcomes.

The process that a local authority goes through in order to construct a local plan can be appropriated for good social value practice. The local plan process has four distinct stages:

1. Evidence gathering and public participation,
2. Pre-submission publication stage,
3. Submission of plan and independent examination, and
4. Report and adoption of plan.

This is a process that all local authorities are required to go through for planning limits and goals. Locally contextualised social value priorities can manifest as a stand-alone charter, without being as labour intensive as local plans due to their lacking the technical, land management aspect.

Specifically, local engagement should inform a vision for social value in the area as a means of ensuring that those priorities are embedded in the practices of all those involved in procuring a public service, attacking prior issues of consistency and lack of guidance. It will also ensure that bids for the procurement of services are competing on the basis of local needs rather than generic prescriptions. The importance of social value is assured rather than assumed. Procurement becomes both informed by and accountable to a council’s so-called ‘social value plan’ whilst capturing the inherently contextual nature of social value.



Case Study: Waltham Forest and Mears – Tackling Homelessness

Where councils have good relationships with commercial suppliers and a clear framework for outcome, innovative solutions can be arrived at. This has been the case with Waltham Forest Council and Mears³⁷. For instance, Waltham Forest Council and Mears entered a joint venture to provide the council with an alternative, sustainable, affordable housing supply. The council's previous arrangement was spending over £3.4 million on temporary housing, with 100 households living in B&Bs and another 2,326 families in hostel accommodation. The plan was for Mears to buy 400 homes and manage the housing over a 40-year period. This has resulted in Mears becoming the largest supplier of temporary accommodation in the UK.

4.2 A standard model for evaluation

We propose a shortlist of around five evaluation models be provided by central government, again informed by collaboration and consultation across sectors, localities and regions. This limited degree of centralised standardisation will ensure that bids informed by contextualised local priorities can be assured of their general adequacy whilst also ensuring that they are competitively scored. The evaluation models should be rooted in a set of broad social value themes whilst outlining a set of strategic objectives for the act. The shortlist model should both allow flexibility to inform Community Value Charters at the local level and allow for cross-referencing specific instances during evaluation at the central level.

The evaluation model proposed by a joint team from the Cabinet Office, DCMS and the government's Crown Representative for VCSEs lays out five high level themes that the social value considerations of contracts ought to incorporate. These are 'diverse supply chains', 'skills & employment', 'inclusion, mental health & well-being', 'environmental sustainability' and 'safe supply chains'³⁸. Each general theme comes with a set of broad policy outcomes and the idea is that departments can select those most applicable to the social value considerations of their contract³⁹. This approach is symbolic of the need for the evaluation process to be driven by broad themes and values as opposed to rigid, one-size-fits-all social value offers. A similar approach for pricing the 'value' in social value locally would allow the evaluation of social value offers to be done so on a principled basis whilst remaining open to appropriate tuning, rather than broad-

37 Mears Group (2018) – Transforming housing with care

38 Cabinet Office & Department for Digital, Culture, Media & Sport (2018) – Social Value in Government Procurement: A consultation on how government should take account of social value in the award of central government contracts

39 Ibid.

stroke application of stringent rules.

In terms of the actual task of bid evaluation by local government, a prerequisite should be evidence engagement with the local charter. The bulk of this evidence should be formulated as a 'Forecast' where a considered engagement with local priorities identifies key aspects of the social value offer. To borrow a phrase found within the SROI social value self-assessment tool, this 'logical chain' should always begin with a defined vision. The model for quantifying social value most appropriate to the Community Value Charter can then be used to ascertain the overall value of the bid. Following on from this, in the case of a successful bid, social value outputs for the contractor should be agreed as part of the overall works contracted. As a means of tracking the relative success of social value delivery in accordance with the overarching vision, some indicators ought to be formulated for the outputs with a timeline for re-evaluation. A 'break clause' could then be instituted based on failure to deliver social value as contracted.

Under the Community Value Charter model, a bid that comes forth with its social value offer noticeably informed by place-based outcomes would be expected to receive a favourable evaluation and thus the 'value' should be priced highly. A bid that puts forward generic social value offers devoid of context will receive an unfavourable evaluation. As the model will be the product of collaboration and consultation, these instances of poor bids for social value will be met with constructive feedback and guidance on how they can be brought up to an awardable standard. The model churns out a clearly-defined mark that is both open to further appraisal (at the appropriate discretion agreed upon) and, if high enough, represents a standard to which the delivery of a contract and the practice that facilitates that delivery will be expected to meet. The model, therefore, lays out the process of social value procurement clearly whilst capturing the need for contextualised outcomes and collaborative efforts between all parties involved.



Case study: Canada Water Masterplan

A notable example of how this process may look is found within the 'social regeneration charter' put forward as part of the planning application for British Land's 'Canada Water Masterplan'. Within this document, British Land outline their approach to guaranteeing that the social value they provide is both contextualised locally and understood across all parties involved. This is facilitated by a framework that is informed by three core aspects: vision, themes and values. Their vision that overarches the project is to ensure 'that the physical changes that the Masterplan will bring go hand in hand with social, health and economic benefits for the people who live, work, study and spend time in the local area, now and in the future'. Having a vision alone begins to inspire a more holistic approach, as it instils a general sense amongst all those involved of what the outcomes of their practices should be pointed toward. The charter then outlines a set of interwoven themes, all in relation to place-based outcomes that the practices of the organisation ought to be pointed toward. The themes are 'a place to learn & grow', 'a place to belong', 'a place to work' and 'a place to be happy & healthy'. A set of focus areas and key opportunities are given for each theme – all of which are the result of 'community and wider stakeholder engagement'. These themes are then undergirded by a list of values with the intention of entrenching them within all practices of the development project. The charter is then rife with suggestions for policy, strategy and initiatives – all of which are informed by a synthesis of the vision, local themes and values. As this synthesis is the product of collaboration across sectors and profuse community consultation, the social value of the charter and contracts relating to it – both present and future – is captured on a basis of outcomes rather than outputs. What this synthesis represents is an implicit agreement amongst all those involved in the commissioning process for the Canada Water development project that embeds principles directed toward local outcomes within the practices of all involved.

4.3 The language of social value

Many of the key issues that arise out of the application of the Social Value Act – such as inconsistency, unaccountability and inadequacy – can be attributed to the vagueness of the legislation and, more specifically, the lack of standardised language and clearly defined terms. If there is no such precise standard, then this increases the chance of borderline cases and broad unhelpful variation. Furthermore, any legislation that insists on a rigid standard for all commissioners would absolve the process of local contextual understanding and teeter on the edge of outright regulation. Given the complexity in making sense of social value,

the legislation in its current state is dysfunctional and even when utilised as a means of discretion; the dissonance of results seriously undermines the overall vision of the act. With no clarity on what constitutes the consideration of social value, or indeed what constitutes social value in and of itself, the act inspires a bare minimum mindset on what is necessary to deliver social value. Any assessment or evaluation of the outcomes in retrospect becomes an unnecessarily arduous task with still too much room for interpretation. Standardisation is necessary for legislation of this sort to not only be functional but also able to evolve to maximise its full potential with ease and consistency. As the outcomes of almost every commissioning project affect a local area, it is necessary for social value standardisation to be rooted in local social, economic and environmental priorities – rather than the assumption that social value is universal.

Any standardisation needs to have a base understanding on which to build consensus on. This base understanding can be inspired by defining what a socially valuable outcome consists of. If it is just a standard social value offer being applied to all local areas, such as apprenticeships, then this undermines the necessity for a local contextual understanding, and it ends up being devalued in practice. If certain outcomes are prioritised through local consultation and a recognition of the local asset economy, then this will represent a bedrock commitment that can be embedded throughout the procurement process. Furthermore, this ensures that, during the evaluation period, procurers are held accountable to their commitments and the people they are directly affecting in a local area. This fixes social value as the progress made against local contextualised outcomes, rather than having it be a highly interpretative, free-floating concept open to abuse and misuse by those involved.

In sum, the social value of a contract is the extent to which it seeks to satisfy a contextualised socially valuable outcome. For it to function with minimal variation in quality, the relative value of each contract must be informed by local social, economic and environmental priorities through local consultation and a collaborative approach. Furthermore, when this outcome is determined, it must be embedded throughout the entire process of a contract to ensure that all involved are aware of what should be provided by the end of a contract; breaking down the silo-thinking dynamic that has been leveraged against the act. The definitions and elaborations of social value outlined above provide key foundations for the codification of a standardised model of social value at a central government level that would bridge the gap between contractors and localities to minimise dysfunction and maximise results.

4.4 An ongoing process

Although the above conditions provide a necessary basis for what is a free-floating and vague concept, it is important to note that standardisation is a collective process that is always on-going. Therefore, any centralised model of social value should have a dynamic of collaborative evolution to ensure that terms are being defined as they are used operationally, and that attention is paid to inevitable differences in both national and local contexts. Whilst part of this model will be the codification of the conditions outlined above, part of its function will be to give social value a quantifiable element where given time, value is determined by how much of a priority the social value offer of a contract is deemed to be, locally. The idea is that the value of outcomes is measured locally and, in turn, offers of social value are priced against, centrally. If an organisation

has made the effort to consult and collaborate with the locality that they will be affecting, then their social value offer can be expected to be of high value given that this central government model is itself informed by local authorities and their priorities. There are many benefits of a standardised model that is rooted in collaboration and an understanding of the functionality of social value:

1. Meaning will be brought to social value rather than the 'social-washing' of typical social value offers.
2. Excess social value will be captured by those who may be unaware of what they are providing in that regard.
3. Breaks down silo-thinking by facilitating channels of communication between all parties involved.
4. Enables the collection of shared data allowing for evaluation and improvement of the social value procurement process.
5. Minimises deviation by ensuring standards and best practices are adhered to.
6. Ensures that the discourse surrounding the Social Value Act is more accessible and coherent.



Localis
Vox Studios, V.311
1-45 Durham St
London, SE11 5JH

0870 448 1530
info@localis.org.uk

localis.org.uk

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