

WHAT IS SOCIAL VALUE?

In the context of this project social value is the added benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes.

This guide is intended for providers of services and goods to the public sector. It is designed to help you to understand what social value is; and how you can work with your local commissioning agencies in delivering it.

WHY IS THERE A FOCUS ON SOCIAL VALUE?

- Social value is important in that it supports public sector bodies (and providers that they commission) to evidence the wider value that a provider offers, beyond just service outcomes.
- It supports the recognition of the full value that a provider offers in the commissioning process.
- Public sector organisations have a key role in local communities and should seek to use their resources in the most effective way to meet the wider needs of those communities.

I'M A PROVIDER OF GOODS OR SERVICES TO THE PUBLIC SECTOR. WHAT'S IN IT FOR ME?

- With a greater drive for increased value for money in difficult economic times, it will be important for commissioners and procurement teams to demonstrate that providers are delivering the outcomes of greatest value.
- **Crucially, from a provider's perspective – it allows you to demonstrate a competitive advantage against other providers.**

WHO DOES SOCIAL VALUE AFFECT?

- Both customers and patients/clients – a provider must satisfy the requirements of both.
 - Your customers: who have the finance to buy services and who want value for money.
 - Your patients/clients: People who want an improvement in their life.

WHAT SHOULD WE CONSIDER THAT ALLOWS US TO PROVIDE MAXIMUM VALUE FOR OUR CUSTOMERS?

Providers should ask themselves these questions in order to target their customer's 'real' requirements; making the services and goods you offer to them increasingly attractive and meeting the immediate and wider needs of your customers.

- What does our customer want? (Not 'what do we want to sell them?')
- What will make our customer's life easier?
- What services can we provide that fulfil our customer's perceived needs? What will meet our customer's required outputs and outcomes? (What will ensure that customers evaluate our services as good?)
- How can we offer services that move our customers from thinking in terms of outputs to outcomes?
- What added value can we offer to our customer?

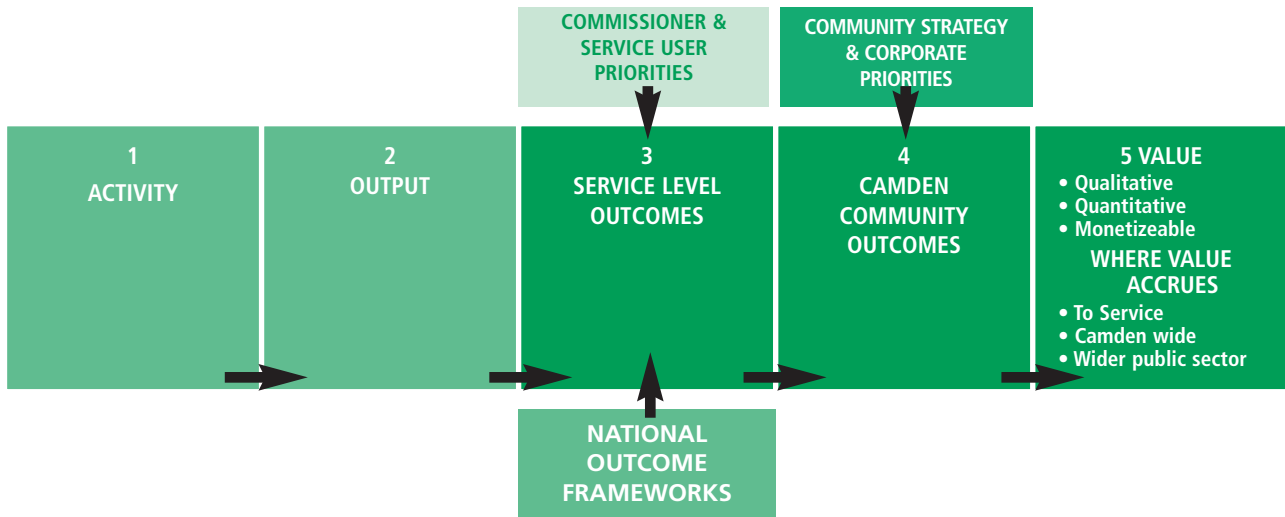
When asking these questions, you should consider the wider role of the public sector as a commissioner; and the impact of these commissioning activities on local communities. In the absence of any other framework, it may be useful to think of adding value in these areas:

**INCOME - EMPLOYMENT – HEALTH – EDUCATION
– HOUSING – ENVIRONMENT – CRIME PREVENTION**

WHAT MIGHT SUSTAINABLE COMMISSIONING FOR SOCIAL VALUE LOOK LIKE?

This table is an example of the sustainable commissioning process undertaken by the London Borough of Camden. Commissioners define the outcomes and value (boxes 3, 4 and 5) and asked potential providers to develop boxes 1 and 2. This allowed for the inclusion of social value as providers developed their own proposals to meet the outcomes expected.

(Source: nef)



HOW DO WE DELIVER SOCIAL VALUE?

In line with our guidance to commissioners, these steps are strongly recommended to encourage provider organisations' involvement in social value:

- Develop your knowledge and understanding of social value approaches and tools (including the **Social Value Toolkit**)
- Work with commissioners and procurement agencies, so that they recognise and ask for social value.
- Work with commissioners and procurement agencies to understand their own local social value requirements, and **tailor your service offerings in line with what is really needed.**
- Integrate social value approaches within your organisation's normal operations.
- Gather evidence of the social value that your organisation provides and that it is effective. Possible tools to support this are:
 - Sustainable commissioning (see model above)
 - Sustainable Procurement Cupboard www.procurementcupboard.org
 - Social Return on Investment www.thesroinetwork.org (then select 'Publications')
 - Social accounting and audit www.socialauditnetwork.org.uk

- Network and co-operate with other progressive providers to lobby for social value throughout commissioning and procurement processes, applied to all providers.
- Work with commissioners to address:
 - Improvement: think about service areas with poor outcomes and where you can be effective in reducing demand on primary and social care.
 - Innovation: the most difficult problems remain unresolved and providers can help to bring innovation into service delivery.
 - Added value: focus on where you may have an impact upon the wider determinants of health and well-being.

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The social value toolkit, evaluation report, easy read guides and further information can be found at:

http://www.northwest.nhs.uk/whatwedo/socialvalueproject/social_value_project.html