

# SOCIAL VALUE TOOLKIT

TOOLKIT USED BY THE PILOTS



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## 1. INTRODUCTION

Managers and commissioners within the public sector are caught in a 'value squeeze' (i.e. increasing pressure to do more with less) as they seek to deliver more and better services under tighter budget constraints.

Given these pressures and constraints it is useful to establish how social value can be brought to both existing service provision and also services that are at the procurement stage. In order to achieve this commissioners need to look at the wider value that a service can bring, i.e. the primary outcome for which the service will be commissioned or exists, plus any additional benefits it can have to society and the public. This toolkit is the first step in a move towards this and we have taken the approach that the concept and application of social value should be adaptable to enable an organisation to capture social value from its existing commissioning activity, but also to generate social value in new commissioning activity. It is important to note at this point that there may be instances where it is not appropriate to generate social value from new commissions, for example there may be significant cost associated to the 'added value' or there may be a defined process which may be complicated by this.

### 1.1 DEFINITION

The working definition of social value for the purposes of this project is: **'social value is the additional benefit to the community from a commissioning / procurement process over and above the direct purchasing of goods, services or outcomes'**

Examples of social value:

- Purchase of 5,000 units of stock, with the added social value of using a local supplier thus stimulating the local economy
- A good neighbour scheme which uses volunteers. The social value of this is attributed to volunteers being targeted from specific age groups and locations in line with other indicators, thus decreasing social isolation for the primary group of individuals (the purpose of the commission), but also for the volunteers (secondary benefit)
- A garden exchange scheme with the primary purpose to help older people live at home and reduce social isolation. The secondary (social) benefits of this were increasing volunteering within the community, social engagement, physical activity, intergenerational contact, improved physical environment

- ALMO – sets up a tendering process for firms to undertake construction work on their properties. The winning firm is a group that offered to provide social value in the form of promoting careers in construction and in trades to local schools; they are also committed to employing local apprentices and working with the local neighbourhoods
- A statutory provider service setting up a user-led organisation to deliver some or all of its core services. This provides previous passive recipients of support with an active role which increases their choice and control, helps develop transferable employability skills, decreases the burden on state resources by using new ways of working to support their lives and the lives of others.

### 1.2 PROJECT REMIT

CPC have been commissioned by NHS North West, on behalf of all 10 Strategic Health Authorities, to deliver a pan-regional commissioning project. This national project involves working with a number of pilot sites on the research, testing and development of a multi-dimensional framework to guide the NHS and its partners on ways of releasing maximum social and public value from NHS and related investment. The aims of this project are two-fold:

1. Develop a framework within which the social value of the current commissioning and procurement activity can be captured and articulated – this will allow the NHS to show its 'true' value across the public sector; and
2. Embed the use of social value concepts in commissioning and procurement activities – this will allow commissioners to 'manage' social value across a whole system and to work more effectively with their partners to deliver social value outcomes

### 1.3 HOW THE TOOLKIT FITS INTO THE COMMISSIONING CYCLE

In order to further develop the concept of social value we have developed a toolkit which is designed to support commissioners to use the concept within their locality and to best affect. This toolkit is not designed to replace or even duplicate the work of existing processes. Rather, it has been designed to sit alongside and compliment existing processes (as can be seen to the right), and therefore remains sufficiently generic for adaptation by individual localities and organisations.

### 1.4 PILOT SITE SUPPORT

As part of the overall programme CPC are able to offer each of the eight pilot sites approximately 1.5 days of support each during Phase 2 up to the end of February 2010 to help develop and embed this within the pilot organisation. CPC will then record the outcomes, findings and case studies of good practice from the pilot sites and report back to the Project Board, which is made up of representatives of the Strategic Health Authorities.

## 2. SELF ASSESSMENT

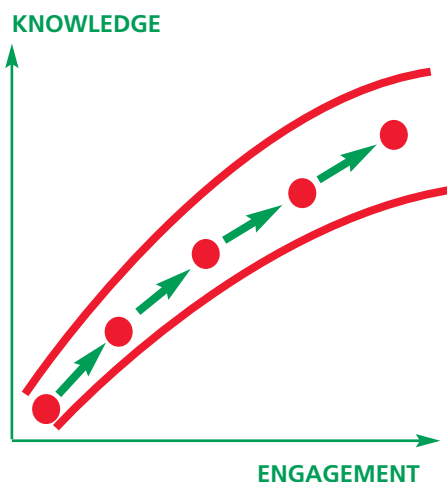
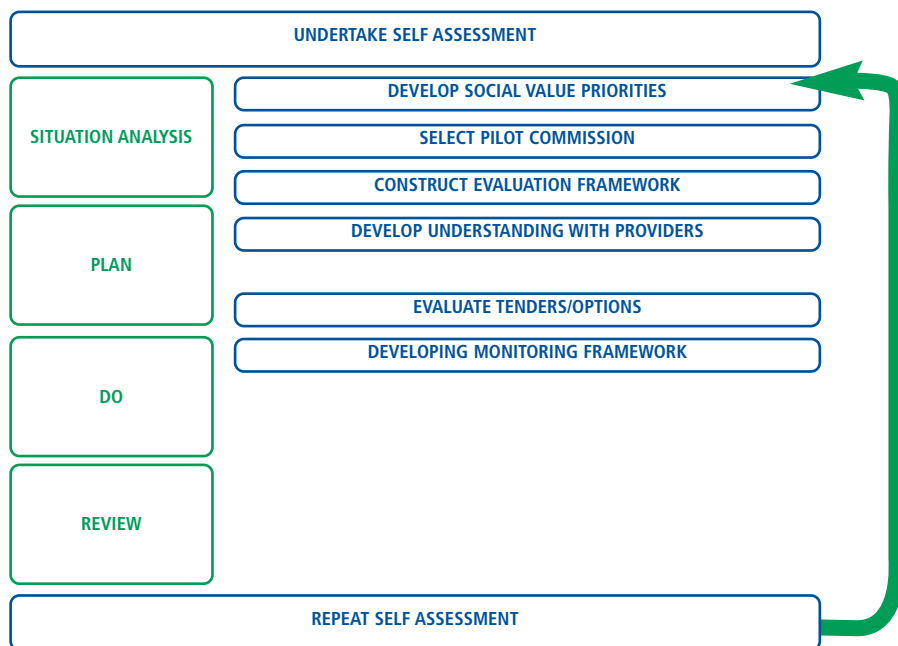
### 2.1 INTRODUCTION

The diagram on the right demonstrates how this pilot is designed to support organisations to both increase their knowledge of social value, but also to use the concept (engagement) to release additional value from commissioning and procurement.

The purpose of Self Assessment is to understand at an individual, group and an organisational level where you are on this knowledge engagement curve; it is also a useful tool to use to raise awareness of social value with other colleagues and partners.

An objective of this project and the tools created is to enable people and organisations to move around the knowledge / engagement curve. Initially, all of the pilot sites undertook an assessment of where they are on the knowledge / engagement curve as individuals. This baseline may assist in ascertaining what actions need to be taken to embed the concept within the organisation and a repeated assessment at the end of the pilot will provide evidence how fast and far people can move along the curve given the appropriate assistance development opportunities.

The definitions of the knowledge and engagement measures have largely been based on the World Class Commissioning (WCC) competencies and adapted for social value. Part of the pilot will be to test what are the significant drivers to enable movement around the knowledge and engagement curve. This will also help to inform a wider rollout of the social value programme in the future. Details of the competencies and how they relate to the WCC competencies are given in the table overleaf.



### 2.2 THE SELF ASSESSMENT FRAMEWORK

Each indicator is assessed against a four point scale: level one, level two, level three, level four (where one is the first level and four is world class). Each of the levels for the competencies is measured on an additive basis. The organisation or individual will therefore have to meet the criteria at level one to progress to level two, and will have met the criteria for levels one and two to progress to level three.

This assessment can be undertaken or considered at different levels: an organisation, a team or service within the organisation, as individuals within the organisation/team; or as a partnership. Therefore, the word 'organisation' can be replaced with 'team'. It is also important to note that where the term 'non-health based' is used this refers to objectives outside of the remit of an NHS organisation.

SOURCE: WCC COMPETENCY		LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
Knowledge – <b>Organisation’s understanding of the key drivers of non-health based objectives</b>	Analytical skills and insights	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>A consistent methodology is used to identify gaps in delivery of non-health based objectives and drivers of performance in addressing these gaps</li> </ul>	<ul style="list-style-type: none"> <li>The organisation analyses progress towards a range of non-health based objectives and identifies key causes of variance from expectations</li> </ul>	<ul style="list-style-type: none"> <li>The organisation analyses progress and any gaps, identifies the key drivers of variance from expectations and develops solutions</li> </ul>
Knowledge – <b>Organisation’s understanding of any gaps towards achieving non-health based objectives</b>	Understanding of health needs trends	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>The organisation can identify over time trends in major non-health based issues</li> </ul>	<ul style="list-style-type: none"> <li>The organisation analyses progress and identifies any gaps towards achieving non-health based objectives</li> </ul>	<ul style="list-style-type: none"> <li>The organisations and partners use of predictive modelling and analytical tools across partnerships to discuss and describe trends in needs, create future projects and identify variation from expectations</li> </ul>
Knowledge – <b>Organisation has developed plans to improve its non-health based objectives (including measurement of)</b>	Use of health needs benchmarks	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>The organisation has developed plans to improve its performance on each benchmark</li> </ul>	<ul style="list-style-type: none"> <li>The organisation has developed plans to improve its performance to meet stretch outcome aspirations and benchmarks on other non-health based objectives</li> </ul>	<ul style="list-style-type: none"> <li>The organisation and partners have developed plans to match the top performers on each benchmark and identifies the key capabilities it will need to develop to match their performance</li> </ul>
Knowledge – <b>The extent to which the organisation can identify the non-health based factors that providers could deliver</b>	Knowledge of current and future provider capacity and capability	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>The organisation works with the Local Authority, other local PCTs and commissioners to perform a robust market analysis on all segments of the market for all determinants of health</li> </ul>	<ul style="list-style-type: none"> <li>The organisation works with the Local Authority, other local PCTs and commissioners to prioritise market segments for targeted improvement action, identify potential costs and benefits of changing or managing providers in priority segments for all determinants of health</li> </ul>	<ul style="list-style-type: none"> <li>The organisation has dedicated resource and the necessary strategic partnerships with the right expertise and experience to support: <ul style="list-style-type: none"> <li>Robust market analysis</li> <li>Market management</li> <li>Provider capability development for all determinants of health</li> </ul> </li> </ul>

SOURCE: WCC COMPETENCY		LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
Knowledge – <b>The extent to which the organisation can measure the non-health based factors of providers</b>	Collection of quality and outcome information	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>There is clear identification of social value metrics to monitor (both national contract and locally agreed)</li> <li>The metrics chosen are agreed with the relevant stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Information provides sufficient detail to support identification of drivers of performance and quality for social value measures</li> </ul>	<ul style="list-style-type: none"> <li>The organisation has developed strategies for monitoring the impacts of specific initiatives on social value measures</li> </ul>
Knowledge – <b>The extent to which the providers are measured and whether this information is discussed with providers</b>	Use of performance information	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>Data on social value measures is collected and analysed at monthly (or appropriate) intervals</li> </ul>	<ul style="list-style-type: none"> <li>Data on social value measures is analysed in near real time and is regularly discussed with providers</li> </ul>	<ul style="list-style-type: none"> <li>The organisation can demonstrate data on social value measures is proactively discussed with providers to drive fact-based continuous improvement</li> </ul>
Knowledge – <b>The extent to which the organisation has identified gaps in the providers' provision which could assist in social value</b>	Alignment of provider capacity with health needs projection	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>The organisation has identified gaps in market supply and for risks in supply structure and has mitigation plans</li> </ul>	<ul style="list-style-type: none"> <li>The organisation is forecasting potential as well as current risks and has adequate mitigation plans, particularly where the impact is broader than the organisation</li> </ul>	<ul style="list-style-type: none"> <li>The organisation implements specific changes to provider capacity driven by provider market analysis, needs modelling, including long-term structural changes, and forecasts based on actual risk analysis</li> </ul>
Knowledge – <b>The extent to which the organisation understands the provider cost impact of requesting social value output</b>	Understanding of provider economics	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>The organisation recognises that there is a cost to gathering information on social value but is not able to quantify them</li> </ul>	<ul style="list-style-type: none"> <li>The organisation understands the economic impact of including social value measures</li> </ul>	<ul style="list-style-type: none"> <li>The organisation allows for the economic impacts of including social value measures within its contracts</li> </ul>

SOURCE: WCC COMPETENCY		LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
Engagement – <b>Level of participation of organisation against the non-health based agendas</b>	n/a	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>The organisation participates in delivery of the agendas of some other public sector partners</li> <li>The organisation can articulate its contribution to the delivery of non-health based agendas</li> </ul>	<ul style="list-style-type: none"> <li>The organisation actively participates in delivery of the agendas of some other public sector partners</li> <li>The organisation can demonstrate the delivery against these non-health based agendas</li> </ul>	<ul style="list-style-type: none"> <li>The organisation actively participates and makes a significant contribution to the delivery of other non-health based agendas</li> </ul>
Engagement – <b>Level to which the organisation is engaged in delivery of non-health based LAA targets</b>	Creation of LAA based on joint priorities	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>The PCT and the local authority are both jointly accountable for LAA targets</li> <li>The role of the organisation in the LAA and delivery of targets is effective</li> </ul>	<ul style="list-style-type: none"> <li>The organisation has clear evidence that it is actively engaged in the ongoing monitoring, delivery and performance management of non-health based LAA targets</li> <li>The organisation actively engages with partners to assist with the delivery of non-health based LAA targets</li> </ul>	<ul style="list-style-type: none"> <li>There is clear organisational leadership in the delivery of non-health based LAA targets</li> </ul>
Engagement – <b>Extent to which local stakeholders believe the organisation delivers on non-health based targets</b>	Reputation as an active and effective partner	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>There is evidence that key stakeholders somewhat agree that the organisation is an effective partner in delivering non-health based objectives</li> </ul>	<ul style="list-style-type: none"> <li>There is evidence that key stakeholders agree that the organisation is an effective partner in delivering non-health based objectives</li> </ul>	<ul style="list-style-type: none"> <li>There is clear evidence that key stakeholders strongly agree that the organisation is an effective and lead partner in delivering non-health based objectives</li> </ul>

SOURCE: WCC COMPETENCY		LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
Engagement – <b>The degree to which the organisation has defined criteria for prioritising investment to include non-health based objectives</b>	Prioritisation of investment and disinvestment to improve population's health	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>The organisation has defined criteria for evaluating and prioritising investment and disinvestment including impact on non-health based objectives</li> <li>Investment and disinvestment proposals contain predicted improvement in non-health based objectives and LAA targets</li> </ul>	<ul style="list-style-type: none"> <li>The organisation has a robust process for using its criteria to evaluate and prioritise investment and disinvestment in key public health objectives <b>and</b> delivery of local non-health based objectives</li> </ul>	<ul style="list-style-type: none"> <li>The organisation understands the return on past investment and disinvestment aimed at non-health based objectives and compares this to best practice. This is used to inform future investment and disinvestment</li> </ul>
Engagement – <b>The extent to which identified gaps are addressed within investment plans for non-health based objectives</b>	Incorporation of priorities into strategic investment plan to reflect different funding scenarios	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>There is some alignment between identified gaps, current initiatives to address those gaps, and strategic investment plan</li> <li>Prioritisation includes locally agreed non-health based objectives</li> </ul>	<ul style="list-style-type: none"> <li>There is clear and consistent alignment between identified gaps, current initiatives to address those gaps and strategic investment plans for non-health based objectives</li> </ul>	<ul style="list-style-type: none"> <li>Projects and initiatives are evaluated against prioritisation with effective targeting of resources towards projects that deliver greatest outcome gains</li> </ul>
Engagement – <b>The extent to which the organisation uses social value in its negotiations</b>	Negotiation of contracts around defined variables	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>There is clear identification of locally defined negotiation variables and service targets including social value measures</li> </ul>	<ul style="list-style-type: none"> <li>The organisation explicitly uses social value measures as part of its negotiations</li> </ul>	<ul style="list-style-type: none"> <li>Negotiation has successfully delivered changes to social value variables in significant improvements in the delivery of social value outputs</li> </ul>
Engagement – <b>The extent to which staff are confident in the use of social value</b>	n/a	<ul style="list-style-type: none"> <li>Does not meet Level 2 requirements</li> </ul>	<ul style="list-style-type: none"> <li>Staff have an understanding of social value concepts and measures</li> </ul>	<ul style="list-style-type: none"> <li>Staff are confident in the use of social value and regularly incorporate its use into commissioning activity</li> </ul>	<ul style="list-style-type: none"> <li>Staff can fully articulate social value, their impact on the delivery of locally agreed objectives and regularly discuss ways to improve</li> </ul>

## 2.3 INSTRUCTIONS ON HOW TO USE THE EXCEL SELF ASSESSMENT TOOL

### EXCEL TOOL: Self Assessment Tool Password (for editing purposes): CPC

Note: In order to avoid write-over errors, most calculation cells are by default 'locked'. To unlock all cells within, and the structure of a given sheet then select Tools / Unprotect Sheet and enter the password CPC (case sensitive).

When filling in the self-assessment, you should try to provide or think of up to three supporting points or examples which you have taken into account when assessing yourselves. This way, progress can be measured over time and assessments can undergo internal quality assurance processes. In order to undertake the self assessment we have created a simple excel based tool.

The Self Assessment Tool has been grouped into the following colour coded tabs for ease of use:

- The sheets with **blue** tabs relate to the self assessment tool
  - o 'Assessment 1' – this is a blank sheet for data input
  - o 'Assessment 1 Scatter' – this will display the results of the data from the assessment
  - o 'Assessment 2' – a blank sheet for further assessments
  - o 'Assessment 2 Scatter' – this will display the results of the data from the assessment
  - o 'Time Series Scatter' – this will map the results of the baseline assessment (entitled workshop), which was taken at the initial presentations, along with the results of Assessments 1 and 2
- The sheets with **orange** tabs relate to results of the self assessment in workshop, this is defined as the baseline
  - o 'Baseline Assessment' – this sheet displays the results that were taken from the presentation sessions
  - o 'Baseline Scatter' – this sheet displays the results in the form of the knowledge and engagement table
- The sheets with **green** tabs relate to comparison with other localities
  - o 'Comparison Scatter' – displays your results against the other 7 pilot sites in the form of the knowledge and engagement curve
- Reference Sheets
  - o The Definition of Factors sheet is the document that should be printed for individuals to complete the assessment

#### SELF ASSESSMENT EXERCISE:

This assessment can be undertaken or considered at four levels: an organisation, a team or service within the organisation, as individuals within the organisation/team; or as a partnership.

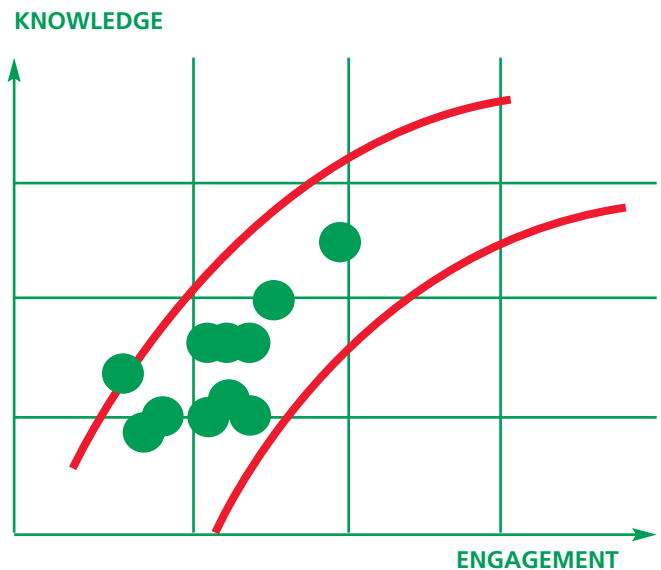
**STEP 1:** The individual, team, organisation or partnership should complete the assessment using the printed sheet which can be found on 'The Definition of Factors' sheet at the end of the tabs in the tool.

**STEP 2:** Each indicator is assessed against a four point scale: level one, level two, level three, level four (where one is the first level and four is world class). Each of the levels for the competencies is measured on an additive basis. The organisation or individual will therefore have to meet all of the criteria at level one to progress to level two, and will have met the criteria for levels one and two to progress to level three. The person completing the assessment should circle the description that best describes you and your use of social value. When filling in the self-assessment, you should try to provide or think of up to three supporting points or examples which you have taken into account when assessing yourselves. This way, progress can be measured over time and assessments can undergo internal quality assurance processes.

**STEP 3:** Once this paper based copy of the assessment has been completed the results should be input into the 'Assessment 1' or 'Assessment 2' blue tabs in the tool, as seen below. This can be done on an individual basis, group or time basis by changing the field in the 'Upon what is the comparison' which can be found at the top left of the sheet. Changing this comparison will not affect any of the functions or results it will simply change the top heading of the column from Individual 1 to Group 1 or Time 1. This allows you to input the results as groups or over time. For example, if the results are measured over time then Time 1 may be a group or individual's result at a baseline and then the subsequent Time 2, 3, 4..... will represent repeat assessments over time by that group or individual.

	Individual 1	Individual 2	Individual 3	Individual 4	Individual 5	Individual 6	Individual 7
Level of participation of organisation against the non-health based agendas	3	3	3	4	3	3	2
Level to which the organisation is engaged in delivery of non-health based LAA targets	2	3	3	3	2	2	2
Extent to which local stakeholders believe the organisation delivers on non-health based targets	2	2	2	3	3	1	2
The degree to which the organisation has defined criteria for prioritising investment and disinvestment to include non-health based objectives	3	2	2	3	2	1	1

**STEP 4:** Once this data has been input, it will automatically update the two tables, the 'Assessment 1 (or 2)' chart and the 'Time Series Scatter'. The table on the right is the scatter graph for the assessment which will visually demonstrate how a range of individuals have scored on the knowledge and engagement curve. The second table 'Time Series Scatter' will demonstrate progress over time, compared to the baseline and previous assessments undertaken.

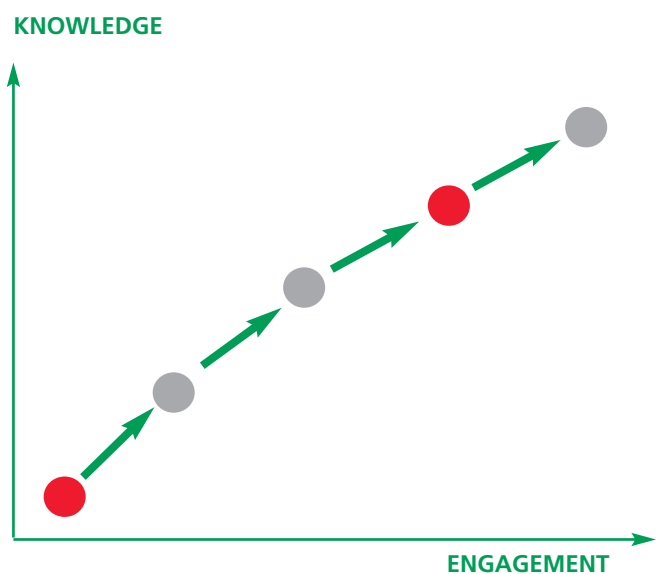


## 2.4 REPEATING THE SELF ASSESSMENT AND UNDERSTANDING THE PROGRESS MADE

In order to understand how far an individual, team, organisation or partnership has progressed it is important to undertake this assessment post pilot and periodically thereafter. Below are some key questions to consider when repeating this process:

- How far have the individuals moved around the curve?
- How far did the organisations move around the curve?
- What best facilitated the transition around the curve?
- How difficult did the participants feel the journey was?
- Is it best to educate the wider organisation, via social value masters or working with the wide group?
- How quickly can you move around the curve as an individual and an organisation?
- Are issues/blockages related to a lack of knowledge or a lack of engagement/participation?

Towards the end of the project, we will request that you update your self assessment to note progress made and what facilitated this progress. In order to capture this progress and ensure consistency across each of the 8 pilot sites we will be in contact with yourselves to undertake this repeat assessment.

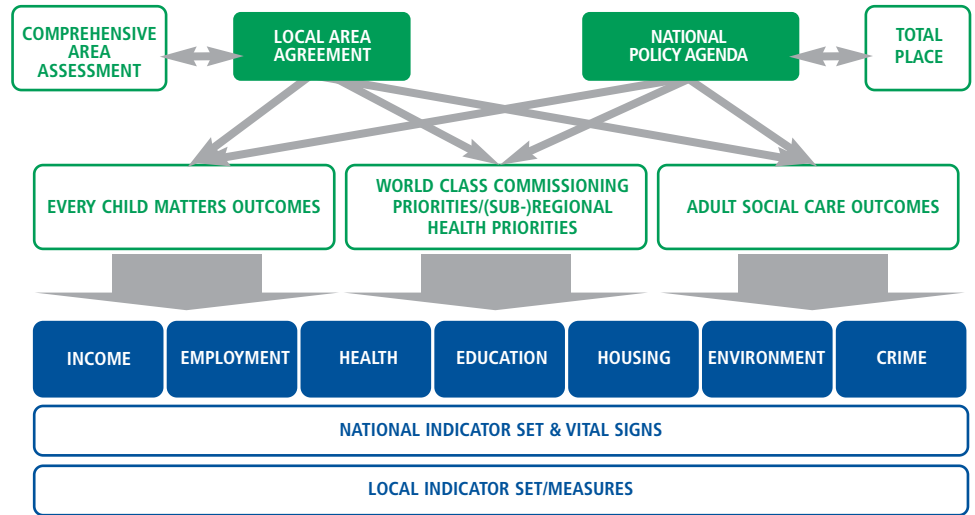


### 3. PRIORITISATION AND MEASUREMENT FRAMEWORK

#### 3.1 INTRODUCTION

Any system for measuring social, environmental and economic value will need to be based on recognition that the results are relative and arise from negotiation between different stakeholders. This means that the key is to have a process or framework which is shared by users.

Measures of social value will be different in different markets and for different people. However some commonality of indicators within similar markets will also facilitate the ability to trade on social and environmental value.



#### 3.2 FRAMEWORK

In order to obtain a pragmatic approach to both the prioritisation and measurement of social value across a range of partners we have developed the framework on the right.

### WORD TOOL: Social Value Measurement Framework

The framework is a generic approach and may be tailored to a locality to include the driving force(s) for public sector commissioning within your area, for example the sustainable community strategy. The use of seven domains, as shown above, facilitates discussion around the generation of social value that will support other partners agenda’s whilst also having an effect on the wider determinants of health (Dahlgren and Whitehead). In essence the framework can be seen as displaying the driving forces for commissioning activity (in red), and the potential for social value (in blue). This framework also provides a consistent approach to measuring value across organisations.

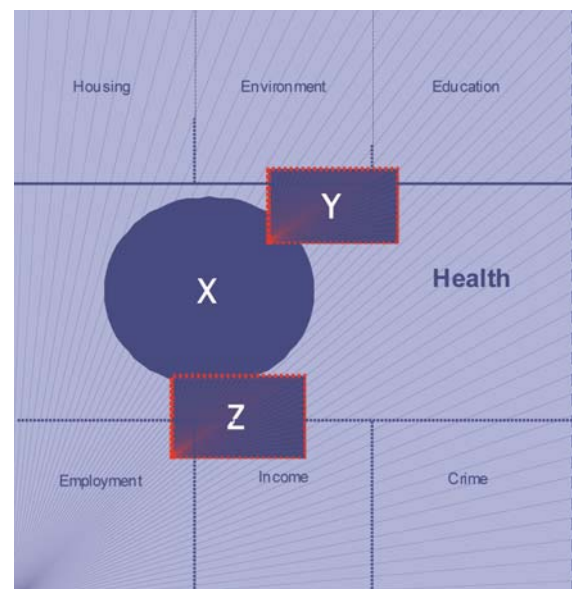
A large proportion of work that the NHS undertakes can have a wider social value, both within the specific locality, and a much wider community, as can be seen in the work of Anna Coote’s and the Health Dividend<sup>1</sup>. For example, a commissioned piece of work could contribute to local employment through targeting local residents for delivery, LAA targets such as volunteering. Practical examples of this can be found in areas such as, Community Health Trainers, where public health practitioners are working towards targeting health inequalities through grass-roots health promotion. Other social gains from this piece of work include an increased number of volunteers, increased social capital, better social engagement and increased activity levels. The figure here demonstrates how the use of this framework can assist when seeking to obtain additional social value.

Commissioning activity X has the primary purpose of tackling obesity in school children through school based information road shows and is informed by population need and also VSB09.

Y represents additional social value as a by-product of commissioning activity X. This social value helps to contribute to a partner’s agenda alongside supporting the wider determinants of health, which ultimately contribute to the risk factors that affect health. For example, the staff may introduce volunteer projects for local residents of the school, assisting them with household chores

(good neighbour tasks) thus promoting social cohesion and physical activity. One such example may be growing fruit in the school or neighbours gardens to share amongst everyone, whilst also spreading healthy eating messages.

#### POPULATION NEED



<sup>1</sup>Visit: <http://www.kingsfund.org.uk/document.rm?id=52>

Z is additional benefit to the community, this maybe independent to the purpose of commissioning activity X. For example, the social value generated may be the use of a local organisation to deliver the activity. This could help to contribute towards partner agendas through the proposed framework.

Understanding and addressing social value in this way not only enables the identification of social value and how it will help to contribute to partner agendas, but it also helps to facilitate the move towards CAA and the Government's Total Place programme which focus funding on places not organisations.

The table here gives some further examples of social value.

COMMISSIONING ACTIVITY	BACKGROUND	THEMATIC SOCIAL VALUE EXAMPLES
Commissioning for an organisation to provide and deliver audiology equipment to G.P. practices and hospitals	Little competition within the market and the contract tends to be awarded to large national companies who are competitive on price.	<ol style="list-style-type: none"> <li><b>Income</b> - none</li> <li><b>Employment</b> - % of staff employed who live in the area</li> <li><b>Health</b> - provider could offer work based health promotion to staff</li> <li><b>Education</b> - provider could train staff in vehicle safety and advanced driving to promote safer roads</li> <li><b>Housing</b> - none</li> <li><b>Environment</b> - provider could offer vehicles that use bio diesel</li> <li><b>Crime</b> - none</li> </ol>
Commissioning for low-level gardening support for vulnerable adults	Issues around health inequalities and obesity within the area	<ol style="list-style-type: none"> <li><b>Income</b> - none</li> <li><b>Employment</b> - use of volunteers from marginalised groups</li> <li><b>Health</b> - increased physical activity levels and healthy eating messages</li> <li><b>Education</b> - none</li> <li><b>Housing</b> - support to maintain properties and general housing stock</li> <li><b>Environment</b> - production of fresh vegetables in gardens maintained</li> <li><b>Crime</b> - reduction of social isolation and increased community cohesion</li> </ol>

### 3.3 PRIORITISATION

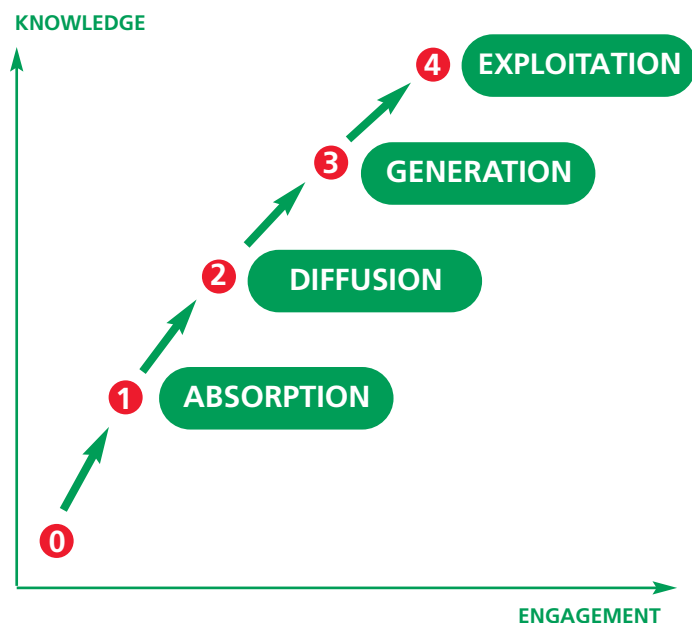
To maximise the benefit generated it is important that the factors prioritised in existing local strategic papers and national guidelines are at the core of identifying the type of social value any local organisation would like to generate in its procurement. At this stage of the commissioning cycle it is important that the commissioners can clearly articulate these priorities. Priorities should be sourced from amongst other places the Local Area Agreement and the national policy agenda. It is also important to take account of local needs assessments and public consultation. This will also have the benefit that they will typically be identified with performance statistics from the national indicator set. Using existing priorities and indicators will ensure that commissioners will have a common understanding and that the concept of social value fits into the wider public services agenda.

To know which outcomes should be measured and incentivised, commissioners require robust information about the needs of service users and communities. Furthermore, service users and communities should be actively involved in service design and, where possible, service delivery. The involvement of service users and communities in this way, sometimes referred to as 'co-production', ensures services are more responsive to needs and create better outcomes.

## 4. DEVELOP UNDERSTANDING WITH PROVIDERS

To obtain additional social value from commissioning activity there is a need to develop understanding with providers, not only of the concepts, potential risks and benefits, but also on the priorities. To have maximum benefit to society any additional benefit must be based on need rather than convenience or historical provision. This approach to developing understanding with providers is similar to the market management and procurement information events that many organisations undertake.

In order to communicate the key messages to an organisation it is important to understand the how an organisation learns. We have used the 4 competency model to identify the type of education and support required. This is a model, but it is worth identifying where each key provider is and therefore changing your messages to them according. This model makes the assumption that staff from the commissioning organisation understand the social value concept in their area and how it will be applied. This is important as the messages and understanding needs to be consistent before they get the market excited about the concept.



### 4.1 ABSORPTION

#### Absorption of knowledge from commissioners

The purpose is to educate the key decision makers in the potential providers on the concept of social value. This will enable the providers to ask questions and overcome any initial concerns, which is of particular importance as the commissioning organisation will need to be aware of provider environment and ensure that the concept does not stifle the market. In the third sector this may be re-articulation of what and how they currently provide services. Particular approaches to delivering this could be:

- Provider conceptual education - need to tailor social value messages to audience, this will assist in tackling key drivers.

For example, it depends on the provider (third sector vs. private)

- Host scenario workshops
- Host external professional networks

### 4.2 DIFFUSION

#### Diffusion of knowledge within provider (and between providers).

The purpose is to reinforce the concept with the key decision makers within providers and ensure the concept is embedded throughout the organisations. Particular approaches to delivering this would be:

- Develop and circulate:
  - Guidelines / manuals to work within
  - Best practice study / case studies
- Assist assessment of peer understanding
- Develop informal networks within and between providers

### 4.3 GENERATION

#### Generation of knowledge from outside

The purpose of this phase is to stimulate enthusiasm and ideas within the providers so that they can begin to think about how their service provision may have wider benefits to the community. Particular approaches to delivering this would be:

- Provide guidelines to assist stimulation of ideas
- Provide outline of framework to test ideas
- Encourage Self Assessment of Providers

### 4.4 EXPLOITATION

#### Exploitation of knowledge in offerings

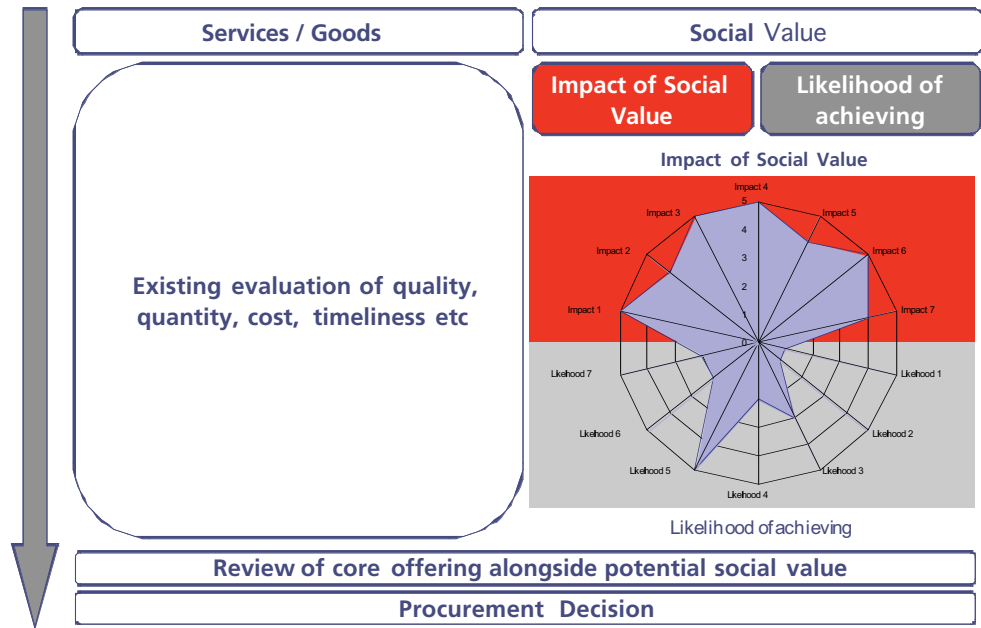
The purpose of this final phase is to ensure the concept is used to best affect within the providers and may be characterised as embedded into the provider market to the extent that providers are actively generating and capturing social value. Particular approaches to delivering this would be:

- Providing environment for providers to test ideas

## 5. EVALUATION FRAMEWORK

### 5.1 INTRODUCTION

In the context of this social value pilot it is recognised that there will be a primary purpose for which a service or objects are being purchased, and therefore core requirements. These core elements will be reflected in both the specifications and in the conditions of the contract and as such will be assessed on the basis of these using existing processes and procedures. It is important to construct a framework around which the worth of social value of one proposal can be compared to another. Social value needs to be part of normal evaluation process, bringing the parallel set of processes into one, as can be seen here.



### 5.2 EVALUATION FACTORS PILOT SITE FEEDBACK AND REVISED EVALUATION FACTORS

We have proposed that social value be measured on the impact of the social value and the likelihood of delivering on the promise of social value. The previous diagram shows a high value but risky project in terms of social value. The use of such a framework helps the commissioning process to be more robust and transparent. However, it cannot entirely move away from subjective and value based judgement, but it does support consistency across staff and assessments.

During the Phase 1 presentation to the pilot sites we asked participants to review the proposed 'impact' and 'likelihood' factors, and provide us with any comments, observations or suggestions. The tables overleaf highlight the overall results of

the scoring from the pilot sites. Feedback from the sessions with regards to the factors was that people did not fully understand the factors in the evaluation framework, and therefore the scores and importance may reflect some of these misunderstandings.

We have revised and expanded these factors and these revisions can now be seen in the final column of the tables. By combining the "impact" scores with the "likelihood" scores across a range of competing tenders offering social value the organisation will have the ability to assess which option is the preferred one with regards to social value. The revised factors in the tables are suggested indicators for assessment of competing tenders, however, we recognise that there may be indicators or factors which are specific to your area and commissioning / procurement framework. Therefore, the factors listed should be treated as suggestions.

## IMPACT OF THE SOCIAL VALUE GENERATED WITHIN THE AREA

ORIGINAL FACTOR	AVERAGE SCORE	MIN	MAX	NO. OF TOP 3 APPEARANCES ACROSS PILOT SITES	REVISED, CLARIFIED OR SUGGESTED ADDITION
Is the social value factor delivered against defined priorities?	19	13	25	5	Is the social value factor delivered against defined priorities (including performance measures and community developed priorities)?
Will it enable expenditure cuts elsewhere?	12	7	18	2	Will it enable savings elsewhere within the organisation or for another partner?
Is it an unique social value offering that could not easily provided by other schemes?	12	5	16	3	Is it a unique social value offering that could not easily provided by other schemes?
Will it have adverse impacts?	11	9	14	1	Will it have minimal or no adverse impacts?
Impact – how much of the social value factor?	11	4	18	3	How much of the social value factor will be generated (e.g. 5 local people employed)?
Does it adhere to our policies and procedures?	10	7	16	2	Does it adhere to our policies and procedures?
Would this initiative attract funding from elsewhere?	10	5	13	0	Would this initiative attract funding from elsewhere?
Does it enable capacity building in providers?	9	7	11	0	Does it enable capacity building in providers, for example personal development for staff or the release of social innovation?
Is the issue (around which social value is being provided) being dealt with elsewhere?	7	3	10	0	Is the issue (around which social value is being offered as a solution) being dealt with elsewhere?
Additional factors suggested by pilot sites					Does the social value proposed adhere to the organisations strategic vision and/or community strategy?
					Relevance of the social value impact to health?

## LIKELIHOOD OF ACHIEVING THE SOCIAL VALUE OFFERED

ORIGINAL FACTOR	AVERAGE SCORE	MIN	MAX	NO. OF TOP 3 APPEARANCES ACROSS PILOT SITES	REVISED, CLARIFIED OR SUGGESTED ADDITION
Will it have an adverse impact on their ability to deliver the primary purpose of this procurement?	19	12	27	3	Will it have an adverse impact on their ability to deliver the primary purpose of this procurement?
Measurability of the outcomes?	18	11	21	4	Are the outcomes measurable?
Strength of evidence base	16	13	18	4	Strength of evidence base (it is important to note that truly innovative service offerings may not have an evidence base)
Do they have the specialist experience / skills required to deliver this additional social value?	15	9	19	4	Do they have the specialist experience / skills required to deliver this additional social value?
Is it reliant on service users / customers buying into the service?	9	8	12	0	Is it reliant on service users / customers participating in the service?
Is it reliant on the other schemes / resources / funds / grants to deliver the social value?	9	5	14	0	Is it reliant on any other schemes / resources / funds / grants to deliver the social value?
Scalability	7	2	12	0	Scalability – how well a solution (the social value) to a given issue will work if the size of the issue or demand increases (e.g. 5 local people employed when 10,000 additional people are unemployed)?
Is it reliant on the skills sets of people they need to recruit?	7	4	13	0	Is it reliant on the skills sets of people they need to recruit?
Additional factors suggested by pilot sites					Will it have a positive effect in stimulating innovation in the market place for health and social care?
					Is it reliant on new technologies and if so do they exist and are they readily available?

5.3 EVALUATING COMPETING TENDERS USING THE 'OPTIONS APPRAISAL TOOL'

**EXCEL TOOL: Options Evaluation Tool**  
**Password (for editing purposes): CPC**

You may need to enable the macros for the content to work. Guidance on how to do this is contained in Microsoft Excel Help.

**STEP 1:** When you open the tool you will be presented with a menu screen. Enter the commissioning / procurement activity for which you wish to evaluate the potential / likely social value and save the file with appropriate name using the standard excel menu. You will need to create and save a new file for each commissioning / procurement activity being evaluated.

**STEP 2:** It is worth checking the Factors prior to undertaking the social value evaluation. Click on the button "Factor Adjustments" to do so.

**STEP 3:** This will take you through to the following page. Select the five most important factors for both the Impact and the Likelihood, and then score each factor out of 10 for relative importance.

**STEP 4:** Once complete press "Save" button below the Importance scores. If you have altered the scores and want to revert to the previous scores press "Reset". Pressing the "Reset - equal" button will set the Importance to 1 each.

**STEP 5:** If you wish to return to the main menu click on the "Front" button. If you wish to see more detail about the factors, or indeed you wish to change these factors then press the "Full Definition of Impact" or "Full Definition of Likelihood". The Full Definition of Impact is shown below. Once reviewed and updated click on "Return".

### Social Value - Option Evaluation Tool

Good / Service:

- 1 Input SV information regarding options
- 2 Analyse individual offering
- 3 Comparison of offerings

Factor Adjustments

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**Factor Selection & Weighting**

Impact	Importance	Likelihood	Importance
Does the social value proposed adhere to the organisation?	10	Do they have the specialist experience / skills required to deliver?	10
Will it enable savings elsewhere within the organisation or for another partner?	5	Scalability – how well a solution (the social value) to a given problem can be scaled up?	10
Would this initiative attract funding from elsewhere?	3	Are the outcomes measurable?	5
Does it enable capacity building in providers, for example personal development for staff or the release of social innovation?	3	Is it reliant on service users / customers participating in the solution?	5
Will it have minimal or no adverse impacts?	1	Is it reliant on the skill sets of people they need to recruit?	5

Save

Reset

Reset - equal

Save

Reset

Reset - equal

Full Definition of Impact

Full Definition of Likelihood

Impact of Social Value						Return
Factor Definition	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	
1 How much of the social value factor will be generated (e.g. 5 local people employed)?	Minor		Significant		Very large	
2 Will it have minimal or no adverse impacts?	Significant adverse affects		Small		None	
3 Is the social value factor delivered against defined priorities (including performance measures and community developed priorities)?	None		tackles lesser priorities		Within key priorities	
4 Will it enable savings elsewhere within the organisation or for another partner?	No savings		Some measurable savings		Significant savings	
5 Would this initiative attract funding from elsewhere?	None		Potentially some funding		Significant funding	
6 Does it enable capacity building in providers, for example personal development for staff or the release of social innovation?	None		Some		Significant	
7 Is the issue (around which social value is being offered	Significant resources have been put into the issue		Some resources have been put into the issue		No resources have been put into the issue	

**STEP 6:** From the front sheet, enter the commissioning / procurement activity which you are currently planning to undertake in the Good / Service box.

**STEP 7:** Then click on the "1 Input SV Information regarding options". This allows you to enter, edit or delete the social value aspects of different proposals.

### Social Value - Option Evaluation Tool

Good / Service:

- 1 Input SV information regarding options
- 2 Analyse individual offering
- 3 Comparison of offerings

Factor Adjustments

**STEP 8:** If you wish to enter a new commissioning / procurement activity then click into the New Procurement Option cell (the white box) type in the name of the option supplier, press return and then click "Enter Data".

1 Input evaluation    2 Individual offering    3 Comparison of offerings    Front

If you wish to enter a NEW Commissioning / Procurement Option please enter a title below and press the button

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If you wish to EDIT an existing Commissioning / Procurement Option then select from the drop down below and press the "Enter Data" button

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If you wish to DELETE an existing Commissioning Procurement Option then select from the drop down below and press the "Delete Data" button

**STEP 9:** You will be asked for a social value factor (as indicated here) – this is essentially the type of social value the procurement will provide, for instance employment, training, reduction in crime etc. Enter a name into the dialogue box and press "OK".

**STEP 10:** You can now score this option / social value factor against the criteria set in the 'Impact' and 'Likelihood' assessments. To score simply click on the score that best fits each criteria. Once you have selected the score for that individual line the box will turn white. Once complete press "Save".

1 Input evaluation    2 Individual offering    3 Comparison of offerings

Development of new GP centre

Input Name

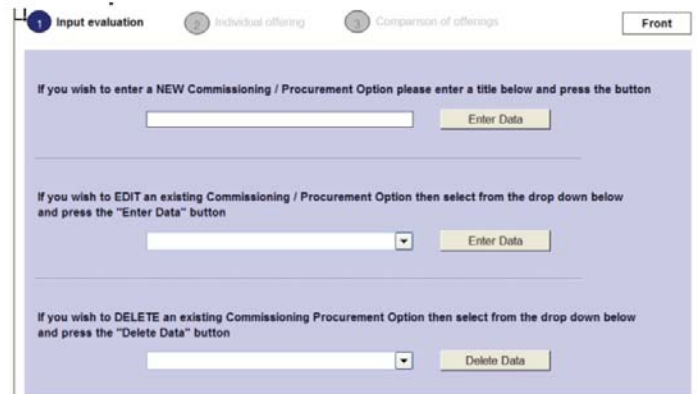
Please provide short name for SV factor

		3	4	5
Some alignment				Strong alignment
Some measurable savings				Significant savings
Potentially some funding				Significant funding
Some				Significant
Will it have minimal or no adverse impacts?	Significant adverse affects		Small	None

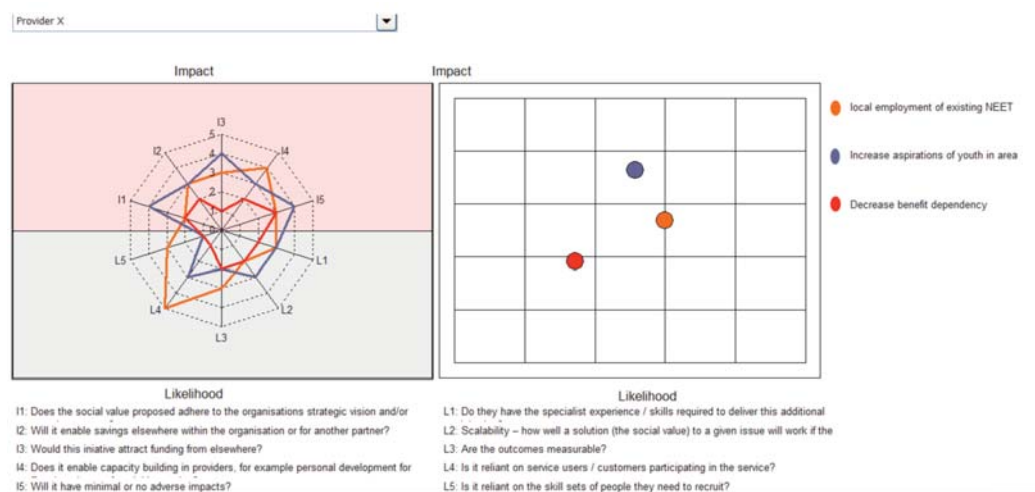
**STEP 11:** Many options will have more than one social value aspect related to them. If this is the case select another value from the drop down under the save button. The tool allows a total of six social value aspects.

**STEP 12:** As you navigate off this sheet it will ask if you wish to save any changes. Click "OK" to save any changes that you have made. (This does not save the file, but only saves the data input. When you close the excel file, you will need to save again). From here you can proceed to step 14 and edit or create a new procurement option, or you can click "2 Individual Offering" as per Step 14.

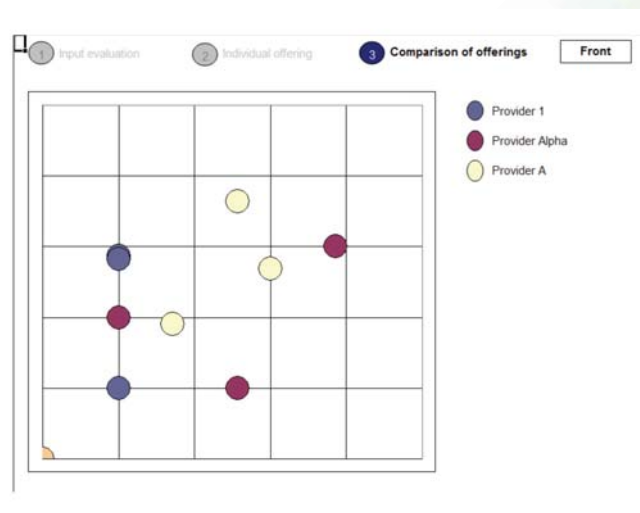
**STEP 13:** If you wish to Edit or Delete an existing commissioning / procurement option then select from the appropriate drop down and click the button to the right of the drop down (as can be seen on the right). Repeat steps 9-12.



**STEP 14:** To view the output of a given Procurement Option click on "2 Individual Offering". This gives you a radar diagram of the scores for each social value aspect against each of the criteria you have set. It also maps out the overall Impact and Likelihood position of each of the social value aspects (shown on the right hand side of the diagram).



**STEP 15:** To view competing commissioning / procurement Options click on "3 Comparison of Offering". This scatters each of the social value aspects for each of the Procurement options. NOTE: evaluation of social value assumes that the providers equally offer value for money and quality provision with regards to the primary purpose for the commission.



## 5.4 IMPORTANT DO'S AND DON'TS WHEN EVALUATING COMPETING TENDERS

### Do make sure:

- CPC would advise that all policies, procedures and legislation, both locally and nationally, with regards to procurement and contracting are adhered to.
- Actions to take account of social issues are consistent with the government's value-for-money policy, taking account of whole-life costs.
- Any social benefits sought are quantified and weighed against any additional costs and potential burdens on suppliers or the organisation.
- Not to impose any unnecessary burdens that would seriously deter suppliers, especially small and medium sized enterprises (SMEs), from competing for contracts, which in turn would reduce the choice available and could impact on costs and service standards. The suppliers deterred could include the very ones whose participation would help to generate social value.

### Do not:

- Add social value elements to a contract without careful evaluation and justification of any additional costs.
- Leave consideration of social issues until too late in the process.

For more information and guidance on procurement please refer to the following:

- **Social Issues in Purchasing -**  
[http://www.ogc.gov.uk/documents/Social\\_Issues\\_in\\_Purchasing.pdf](http://www.ogc.gov.uk/documents/Social_Issues_in_Purchasing.pdf)
- **Introduction to Public Procurement -**  
[http://www.ogc.gov.uk/documents/Introduction\\_to\\_Public\\_Procurement.pdf](http://www.ogc.gov.uk/documents/Introduction_to_Public_Procurement.pdf)
- **Finding and Procuring Innovative Solutions -**  
[http://www.ogc.gov.uk/documents/Finding\\_and\\_Procuring\\_Innovative\\_Solutions\\_\(3\).pdf](http://www.ogc.gov.uk/documents/Finding_and_Procuring_Innovative_Solutions_(3).pdf)

The toolkit, evaluation report, easy read guides and further information regarding the project can be found at:

[http://www.northwest.nhs.uk/whatwedo/socialvalueproject/social\\_value\\_project.html](http://www.northwest.nhs.uk/whatwedo/socialvalueproject/social_value_project.html)

For further information please contact:

**Julie Cheetham, Social Value Project Director,  
NHS North West**

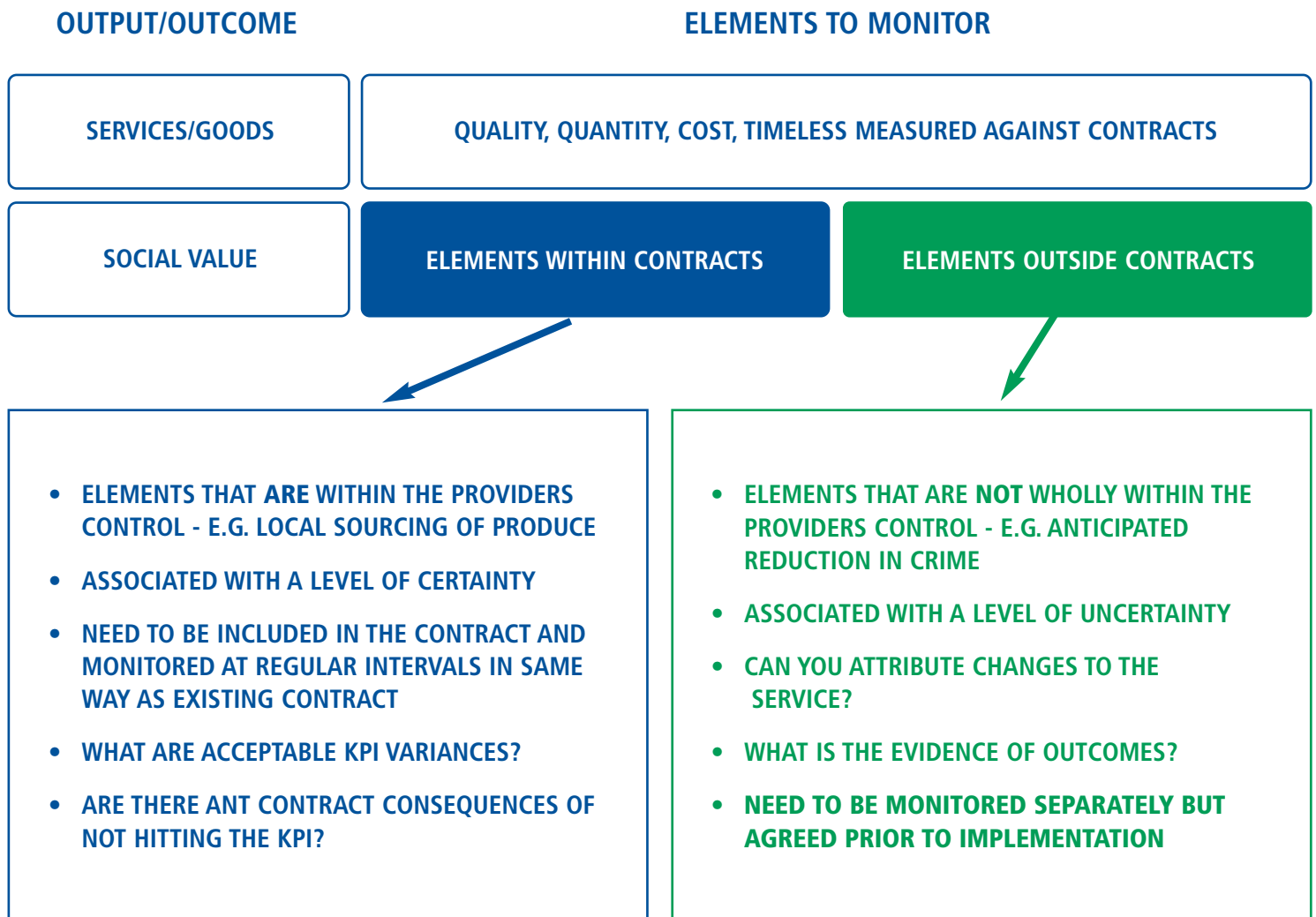
**mail to: [julie.cheetham@northwest.nhs.uk](mailto:julie.cheetham@northwest.nhs.uk), 0161 625 7202**

**Brett Nelson, Associate Director (Project Manager), CPC Ltd.**

**mail to: [brett.nelson@cpcltd.com](mailto:brett.nelson@cpcltd.com), 07827 804156**

## 6. MONITORING FRAMEWORK

It is important that social value is monitored just as in the service / good. You can include some elements of the social value into your contract e.g. employment of local residents, others will not be so easily done – e.g. reducing crime.



Wider benefits are not just nice to have, they carry financial implications for the commissioning body and, in many cases, also for other public bodies and central government. These benefits give rise to what are sometimes called cross-department savings that feed directly back in to public resources. Commissioning sometimes does not seek out the wider social, environmental, and economic benefits that providers might bring to services, even though delivering such benefits need not necessarily mean extra costs. It can simply be about delivering the service in a different way. In other cases, where a higher cost may be involved, the cross departmental and longer term returns can significantly outweigh the higher investment required to achieve them. This implies that commissioning authorities should not only assess for delivery against wider objectives, but also encourage it.

How this value is measured is important and measurement tools such as Social Return on Investment (SROI) modelling can help the NHS to measure both the social and financial value created from their investments.

The financial analysis (cost / benefit) of the additional social value created is outside the scope of this project, however, there are currently several pieces of work being undertaken nationally around SROI, and there are also a number of publications that may be of interest such as The New Economic Foundation's 'Measuring Real Value: a DIY guide to Social Return on Investment. For further information, support and guidance visit: [http://www.sroi-uk.org/component/option,com\\_docman/Itemid,38/](http://www.sroi-uk.org/component/option,com_docman/Itemid,38/)



## NOTES

