


Social Value Toolkit

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THE ROYAL BOROUGH OF
KINGSTON
UPON THAMES

What is Social Value?



Public authorities must have regard to **economic, social and environmental wellbeing** in connection with public services contracts.

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Social Value Act (2012)



“Social value” is a way of thinking about how resources are allocated and used. It involves looking beyond the price of a contract and seeing what the collective benefit to a community is when a public body (like a council) chooses to award a contract. Social value is the additional community benefit beyond the primary goal of the contract.

This requires us to think about the social value that can be generated through buying services - and gives Councils permission to take that into account in procurement decisions. Demonstrating social value is a way of distinguishing yourself from the competition.

In Kingston we have been championing a commissioning approach which incorporates social value, for many years. It is something we have always looked to achieve, without necessarily utilising the term. Talking to the local voluntary and community sector (VCS) about what additional social value their services provide for our residents is helping Kingston make some big improvements in the services we deliver.

This toolkit aims to provide some guidance about how social value is incorporated into the commissioning cycle in the Royal Borough of Kingston upon Thames.

When making a bid organisations should consider whether they could add social value by:

- recycling and minimising waste
- using sustainable/ low emission transport
- being energy efficient and using renewable energy
- encouraging biodiversity and sustainable and accessible outdoor spaces
- reducing water waste
- using seasonal/ local produce and only using meat that meets minimum welfare standards
- providing apprenticeships/ training
- getting marginalised groups back to work
- improving district centres
- developing community hubs
- reducing health inequalities and improving wellbeing
- making local communities safer
- improving the local economy
- reducing social isolation
- increasing community cohesion
- buying from local businesses
- improving skills and wellbeing of volunteers

This is not an exhaustive list and you can probably think of some more ways of adding social value.

When considering social value in the commissioning process local needs must be taken into account. Voluntary, community and faith organisations are very useful in this respect due to their in depth understanding of local needs. Where appropriate, social value will be given greater weight if it has a local impact.

Examples of Social Value

Addiction Support and Care Agency

ASCA is small local voluntary sector organisation which provides services to people with substance misuse problems and those who are affected by other's substance misuse problems

ASCA provides information and advice, assessment, one to one counselling, support groups and a health and wellbeing programme.

In addition to this ASCA supports volunteers to start up their businesses and supports local independent businesses (eg. local therapists, professional CPD trainers) through affordable flexible room hire. 97% of former ASCA volunteers are now in employment or have set up their own businesses; 2% are undertaking further study.

97% of ASCA's volunteers have direct or indirect experience of substance misuse and are in long term recovery. ASCA undertakes a VIVA (Volunteer Value Investment Audit) each year. Annually, ASCA volunteers give ASCA **6,846 hours** of their time; the monetary value of this time is **£174,302.00**.

For every £1 spent, £11.50 worth of "social value" is generated from ASCA's services.

MITIE - Better Homes

As part of the Better Homes contract MITIE takes on 6 new apprentices every year in the following areas:

- Trade based (carpentry, plumbing, electrical, and multi-trade)
- Business administration
- RLO (apprenticeship in customer service)
- Quantity surveying
- Building surveying

MITIE has a positive impact on the local economy and recruits locally, advertising in the Kingston Guardian and Surrey Comet. MITIE uses sustainable business practices such as:

- using local supply chains to reduce transport emissions
- identifying products that improve the thermal efficiency of people's homes.
- helping residents to save energy by providing information and training on minimising energy use and using any new components such as boilers and heating systems in the most efficient way.

More Examples of Social Value

Fircroft Trust

The Fircroft Trust is a local charity working in Kingston upon Thames with adults living in the community with severe to moderate mental health problems and/or learning disabilities. It creates additional social value in a number of ways:

- It is an environmentally friendly charity
 - It generates funds through Recycle4Charity
 - The Fircroft gardening project uses rainwater butts and make compost
 - Firs Court housing for people with learning disabilities is well designed to maximise the use of natural light and generates heat using a wood pellet burner.
- Fircroft offered work experience and student placements to 14 students in the last year.
- Fircroft help other charities such as MIND in Kingston, the National Childbirth Trust and ASCA by letting them use their premises.
- Fircroft increases the self esteem and skills of volunteers at their shops.
- Fircroft hosted 6 team building days for local employers in the last year.

Engie: TFPM

Engie must deliver an energy consumption reduction of 11.4% as well as providing a free energy health check to schools that purchase its facilities management services. Engie also gives £5,000 every year to an initiative run by Young Enterprise to teach young people about the world of work. Engie creates local apprenticeships and employs local people, with guaranteed training for all staff, as well as developing supply relationships with local businesses.

Engie will also proactively engage with local community volunteer programmes and provide work experience opportunities for schools that source services through the framework agreement. Engie also go into schools and deliver CV building workshops.

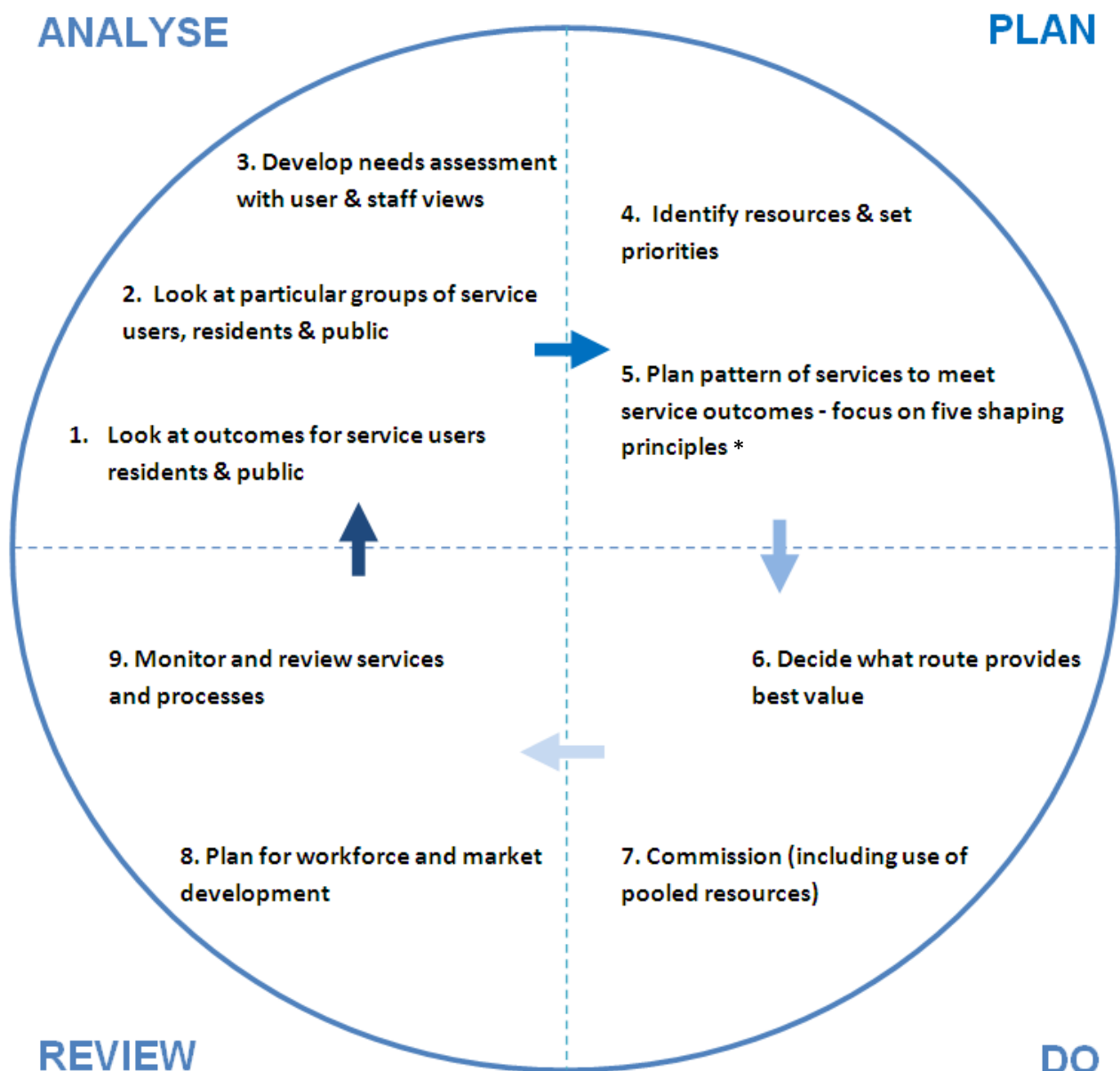
Staywell

Staywell is a charity which supports older people and their carers. Staywell works to keep people well and independent in their own homes. Staywell relies on the work of its volunteers, which was valued at £365,000 . Many of Staywell's volunteers go on to be paid members of staff or use their volunteering experience to secure paid employment. Staywell also supports people on Year Here placements in voluntary full-time posts at The Bradbury, a drop in centre for older people

Staywell's Community Furniture service recycled almost 185,000 kg of waste. Staywell also supports local independent businesses (eg hairdressers, podiatrists, complementary therapists) though offering their services to members of its day centres.

How Social Value is Incorporated into the Commissioning Cycle

Social value isn't separate to the commissioning cycle; it's an important part of it, in all stages from analyse to review (and back again).



* Kingston's five shaping principles are prevention; personalisation, choice and control; local settings; customer focus; working with partners.

Analyse

At this stage commissioners will:

- Consider Social Value Indicators that could bring widest benefit to the community, which provide a good balance of economic, social and environmental benefits and are the most relevant to the service.
- Consult stakeholders

And potential providers will:

- provide data on user needs as well as what works and what doesn't

Plan

At this stage commissioners will:

- embed social value indicators into the specification.

And potential providers will:

- provide users' views on what is needed and how the service should be delivered

Do

At this stage commissioners will:

- evaluate supplier responses to social value indicators
- ensure social value measures are built into the contract.

Review

At this stage potential providers will:

- feed in valuable data about the impact of services and how they might be further improved.

How Social Value Can Be Measured

There are a number of ways social value can be measured, and deciding which method to use depends on the type of service an organisation provides. Inspiring Impact (<http://inspiringimpact.org>) and Impact Aloud (<http://www.superhighways.org.uk/projects/impact-aloud/>) provide resources to VCS organisations to help them measure their impact.

VCS organisations may want to quantify the amount of social value they anticipate delivering in their bid. For example an organisation may anticipate getting 10 people from disadvantaged groups back to work. The DWP values this at £6,600 per person so the additional social value would be £66,600. Measuring social value appropriately is also important for the review stage, to make sure services deliver what they say they will in their bids.

The following guidance is taken from the Social Value Act Review 2015 which can be referred to for more detail.²

Economic or financial assessments

Economic or financial assessments attempt to create ratios or net economic/financial estimates of impact.

Social Return on Investment (SROI)

SROI is one of the best-known social value measurement techniques. It provides a narrative of how much value an organisation creates or destroys, and a ratio to show how much value is secured from every £1 of investment. However, it is a more comprehensive and in-depth technique, which can take several months to complete. Small organisations will not be expected to measure their impact in a complex and time consuming way.

Further information on SROI can be found here:

- SROI self-assessment tool: <http://inspiringimpact.org/listing/sroi-self-assessmenttool/>

Cost-benefit analysis

² *Social Value Act Review 2015*

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/403748/Social_Value_Act_review_report_150212.pdf

A cost-benefit analysis compares the monetary values of costs and benefits, to establish what the net cost or benefit of an intervention might be. To support this, an increasing stock of unit cost data is emerging.

Unit cost databases provide lists of costs that can be used to calculate cost savings arising from a particular intervention:

- New Economy: http://www.neweconomymanchester.com/stories/832-unit_cost_database

The Treasury Green Book explains how to conduct a social cost-benefit analysis and includes some information on estimating costs/benefits that do not have a market value: <https://www.gov.uk/government/publications/the-greenbook-appraisal-and-evaluation-in-central-government>

Well-being / satisfaction measures

Well-being or satisfaction measures try to summarise social impact in terms of how happy or satisfied people feel. An increasing bank of financial proxies for wellbeing is developing. The Housing Associations' Charitable Trust (HACT) has developed a bank of financial proxies for various wellbeing outcomes. They have also developed a calculator tool to help organisations use these values:

Guide to the approach: <http://www.hact.org.uk/measuring-social-impact-community-investment-guide-using-wellbeing-valuation-approach>

List of financial proxies: <http://www.hact.org.uk/social-value-bank>

Other Resources

Social Value and Commissioning Toolkit: A guide for charities on social value and commissioning produced for the Children's Partnership – 2015

<http://thechildrenspartnership-knowledge.org.uk/media/1089/social-value-and-commissioning-toolkit-final-with-ncb-logos.pdf>

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Understanding Social Value: A guide for local Compacts and the voluntary sector:

http://www.compactvoice.org.uk/sites/default/files/social_value_guidance_2014.pdf

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The **Social Value Hub** provides resources and case studies on social value:

<http://socialvaluehub.org.uk/>

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The Cabinet Office has also published guidance and resources:

<https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

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Social Value Act Review 2015

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/403748/Social_Value_Act_review_report_150212.pdf

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The **What Works Wellbeing Centre** provides guidance on measuring the impact of projects on people's wellbeing:

<http://whatworkswellbeing.org/what-works/evaluation-wellbeing-impact/>