



social value

Section 3: Measurement

Learning from the Maximising Social Value Road-shows

August 2013

The following summarises the key learning from a series of NAVCA road-shows, where public sector delegates from around the country debated different approaches to implementing the Social Value Act. We would like to thank all those that contributed their time, experience and opinions to these events.

Find information on the Act itself and structured guidance on its implementation at <http://www.navca.org.uk/social-value-bill>

This report is made up of delegate's opinion and comment, and unless otherwise stated should not be relied upon as legal opinion.

Measuring Social Value

When delegates moved onto discussing how to measure social value, more questions were raised than solutions provided, particularly at the contract management stage.

There has been a move towards outcomes based commissioning for a number of years. This involves defining the outcome and finding ways to measure the extent it has been achieved. Progress continues to be patchy in this area. As social value involves measuring wider outcomes, it is not surprising that commissioners are struggling with how to do this.

Previous examples of measuring social value in works contracts, have tended to focus on measuring outputs using a quantitative approach, for example the number of apprentices employed per x value of contract price. With softer outcomes, the sticky issue of how to measure them continues to be debated; unintended outcomes, attribution issues and an inevitable level of subjective analysis will always be involved.

The Demos publication '[Measuring Social Value](#)' examines the topic, while a previous [NAVCA blog](#) considers some of the issues around outcomes measurement and the need to accept that it is not and never will be an exact science.

The Third sector Research Centre has published papers on [Impact measurement practice in the UK third sector: a review of emerging evidence](#) and [Social impact measurement as an entrepreneurial process](#) that may provide some insight to the issues faced.

Delegate's comments:

- We felt it was important to try and measure the impact of social value. So following on from the overarching outcome that has been set in a strategic document and applies across a wide range of contracts, individual measures that are relevant to the particular contract and that are



proportionate need to be devised by commissioners and providers.

- Agree that social value needs to be something you can ‘grab hold of’; you can quantify or measure in some way. But a KPI target culture around this does worry me. We need to find ways of involving communities not just in defining what social value matters to them, but whether they think we are moving towards achieving it down the line – what’s worked for them, what’s not.
- We owned the knowledge that no single service is the one that makes the difference, there’s a whole raft of things that happen. So all we want to see is that everyone is working to our stable community strategy (we’re keeping ours and refreshing it as our core partnership document) So we know what all our partners are working towards, whatever sector they’re from, that we’re moving in the same direction. Therefore we look at the overall statistics of see if a positive change been made. We are asking groups to share ownership with us in terms of saying “what are the ways of measuring these things?” It’s not about us having all the answers. So we’re very much commissioning services from these groups on the basis that they’re our partners. We’re giving you the money to do it, but we’re all sharing the responsibility to reach the goal (the opposite of transactional purchasing) and it’s almost like there’s a lot of trust and partnership. You have to spend time maturing that.
- There are so many measurement tools out there; we have gone down the route of picking the main ones and looking at how we can adapt those.
- Not enough resources are put into contract management – in the sense that contract monitoring cannot just be viewed as keeping providers on a tight lease and accountable. It has to be more about planning, partnerships and feeding into the whole commissioning process (forward-looking more as well as back-ward looking).
- It’s not all quantitative measurement this stuff, I think we need to involve councillors in engaging communities to say “has this worked or not?”
- Yes, quite often it seems that if people are hitting the set targets it’s classed as value for money, even if that target is wrong and not linked to reaching the outcomes. There’s got



to be more freedom to adapt things like that throughout a contract.

- People want black and white, accurate measurements. Sometimes it's just about letting go a bit, admitting it's got to be grey, it's got to be fuzzy, it's not going to be precise, but it's moving in the right direction.
- I think the closer that conversation is to the user of the service, the less need there is for it to be black or white, because it's his or her experience of the service. Sometimes you may have to look at whether an organisation completely embraces co-production and involving service users in the design and delivery and then assume that they will move towards the outcomes that you want to achieve.
- What we're trying to do is include our social value measures at the corporate level. So in essence I suppose building social value measures into your performance framework means that there is a pressure for everybody to collect them. Because the danger is if it's left to just being an individual contract monitoring process it's not as important, but, if a commissioner has a requirement to collect those social value measures because they have to corporately report quarterly then it means they are going to do it and they're going to collect it in the contract.
- If citizens can see that annual report, it might also be a way for them to get involved in commenting on the social value priorities and suggest alternative areas of focus etc.
- As part of the negotiation we will agree with providers what the approach will be in terms of how we evidence the outcomes, without being too onerous on them and without being too onerous on us as a local authority. So we agree that approach. The bit that we're stuck on is that we want to do the mapping but we've got to come up with a consistent approach of doing it, so part of it might be if we've got common outcomes agreed which the commissioner has specified, well they'll be easier to map or at least count and evidence and then maybe what we use is the provider innovation case studies, combining the soft data with the hard data. There's no one ideal approach I think. But I don't think it should stop you from doing this. It's not going to be 100% and we're wasting our time if we try to make it so. The issue is not making it too onerous. If we're only



agreeing to pay certain prices then you have to be realistic about expectations, as well as pushing innovation at the same time.

- I'd like to comment on Social Return on Investment (SROI) which has been mentioned. I'm struggling to see how in its current form it could be used to measure social value (with the definition we are working to today). Because, it can measure the social impact of an organisation, possibly, but it might not necessarily be the social impact that the council is seeking and when measuring organisational wide, you're also looking to measure things that are outside of a particular contract, so I don't know. I struggle with the focus on SROI.
- In tendering it's also about demonstrating what the key attributes are and evaluating their method statements in response to this. So if they say they will use volunteers, demonstrate how they have, how they engage and retain them, what evidence do they have that they're able to do this well.

Relational contracting

Many people saw the need to move towards increased partnership working and relational contracting with providers. Many thought this necessary to ensure that appropriate targets were met, but also that targets and measures could be adapted as required.

Delegate's comments:

- The problem in some local government organisations is that we don't concentrate on contract management in the best sense of the word. This is really key. You buy what you need but then the important bit is to develop that relationship with the supplier and it is about a relationship, you should never have to refer to your contract again. If you do, things have broken down. It's really about having a good relationship where you're able to iron out those issues as you go along.
- With major outsourcing, it will be important for voluntary organisations to develop relationships with the private sector because they won't have a relationship with local government where whole departments are outsourced.



For the summary document 'Learning from the NAVCA Maximising Social Value Road-shows' go to <http://www.navca.org.uk/maximising-social-value>

Find other resources on social value at www.navca.org.uk/socialvalue

NAVCA

0114 278 6636

<http://navca.org.uk>

<http://twitter.com/navcanews>