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CHAPTER ONE

Introduction

Social value is an important element of initiatives aimed at reshaping public service delivery. There has been a noticeable increase in the use of social value in commissioning frameworks and guidelines as well as in the range of tools aimed at measuring and reporting social value.

The Public Services (Social Value) Act 2012, and the flexibility it offers, has led to a variety of approaches to driving and delivering value through commissioning and procurement. The evidence to date suggests that the Act has helped drive change, often building on existing practice linked to best value and value for money.

Some organisations are linking social value with outcomes and results-based approaches to public service delivery and accountability. Outcomes approaches are increasingly being used in commissioning and procurement, and are also being deployed within organisations as part of their own performance management and evaluation systems.

Following on from this, being able to measure social value, impact and outcomes is increasingly desirable. Obtaining a more rounded picture of the value of a particular service or programme offers the possibility of improving decision making and enabling a better allocation of limited resources.

In the health and social care sectors more than half of social enterprises and not-for-profit organisations already undertake social impact measurement of some kind. But reporting on social value and social impact is not without its challenges. Issues identified include variations in the scope and quality of data, the relatively high cost of collecting and analysing data, and a lack of comparability.

Evidence to date indicates that social value is proving to be a flexible concept that supports change and encourages new ways of adding value to procurement. The flexibility the Public Services (Social Value) Act 2012 offers is providing opportunities to experiment and apply the idea of social value in a variety of ways.

However, this flexibility can present challenges. There are indications, for example, that it is not always clear to all those involved exactly what is meant by 'social value' or how best to deliver and evidence it.

This publication looks at social value and its practical application and assessment. It covers: the legislation and related guidance; how this links to guidance on best value; the range of definitions of social value; how social value relates to outcomes commissioning; examples of how social value is being interpreted by local authorities; and approaches to measuring social value.

USING THIS PUBLICATION

This guide aims to be useful to people working with or in organisations delivering public services, including, but not exclusive to: managers and officers interested in social value approaches to service delivery; those tasked with measuring and reporting on social value; those involved in commissioning and procurement; and others looking to apply social value in support of new or improved service delivery models.

Chapter two provides an overview of the Public Services (Social Value) Act 2012, including who it applies to and what it requires the relevant bodies to do. The chapter also considers the Act in relation to best value and value for money as well as its relevance to enterprises engaged in public service delivery.

Chapter three looks at a number of definitions of social value. The Public Services (Social Value) Act 2012 does not include a precise definition of ‘social value’, and various bodies have developed their own definitions. A number of examples are provided in this chapter along with a summary of interpretations and approaches available.

Chapter four provides an overview of outcomes and outcomes-based commissioning because of their links to social value. As with social value, there are different ways in which ‘outcomes’ can be defined and used within service development. This chapter also looks at the ways in which ‘outcomes’ are applied in order to better understand their fit with the ideas of social value.

Chapter five provides examples of public bodies applying social value, including brief summaries of some cases. It shows the variety of approaches being adopted, from social value commissioning frameworks to social value charters. Links to other examples have been included in the resources chapter (chapter eight).

Chapter six looks at some of the measuring and reporting approaches in use. There are many different methodologies for measuring and reporting on social value. This chapter briefly describes a number of these and points to the range of options available and the sorts of information provided.

Chapter seven follows on from chapter six in outlining a reporting strategy. The chapter finishes by asking whether a social value reporting framework is needed.

Chapter eight provides information on references and resources mentioned in earlier chapters as well as additional sources of information. Resources include websites, papers, reports, guides and tools.

A **glossary** is also included.

The **appendix** provides an overview of measuring outcomes, which is included because of its relevance to measuring social value in terms of social outcomes.