IP3, Consultant(M)

Speaker Key:

CM Interviewer

IE Interviewee

CM What’s your job role and experience with social value commissioning?

IE Okay well I'm an independent management consultant, I work for myself. I've been a consultant either independently or with other organisations for almost thirty years now. Almost all of my work has been with public service organisations, including voluntary sector and charities, in fact its included social value going way back. But the term social value has only become more prevalent in recent years and I think it was in about 2010 that I was trained in social return on investment.

And that really focussed the emphasis I've placed for the last seven or eight years on social value and working with third sector organisations in particular. Have you seen my website?

CM Yes, I took a look to your website and your blog writings! Thank you very much for sharing it with me.

IE Yes that should give you a fair idea of what I do and in fact I updated part of the website just a few days ago so you might want to look again at the case study section where there's a couple of new ones added.

CM Based on your overall experience, how would you articulate and define social value? What does it mean in your own words and understanding?

IE I think I would define social value as the total value of an organisation or its activities to society as a whole, and that includes the environment and potentially future generations as well. It's a contrast between purely economic value and taking a wider perspective. For example an economic assessment of a health project might look purely at how much that project saves to public services, whereas a social value assessment would look at the total value to the people it serves to the organisation delivering it, to the statutory services, to the environment. Any stakeholder that might be affected by it. So social value is a total... all-encompassing approach to assessing value.

CM What roles plays stakeholders in the definition of social value?

IE Social value would encompass every stakeholder in an organisation or its activities have.

CM There any specific management techniques of engaging stakeholders in defining a social value strategy?

IE In terms of defining... well any sensible approach to assessing social value has to take into account the perspectives of those stakeholders. I often talk to organisations about evaluation being from the outside looking in, in other words it's not their perspective of how their own organisation is performing, and its other people's perspectives. And there will be lots of different perspectives from all of the different stakeholders involved. And it's in that sense that stakeholders are involved in determining social value because they will determine what matters to them from what any particular organisation does.

CM How do you work with the many interpretations of social value?

IE It's not so much the different interpretations of social value it's how that applies to the situation that an organisation is in and what matters to its funders. You know a funding organisation will be interested in different aspects of the value that an organisation can generate. For example, if you're looking at statutory commissioners, local authorities and CCGs for example, they will certainly have a perspective that includes the potential of cost reduction for their organisation. For example if a voluntary sector organisation can demonstrate it can deliver a service cheaper than the NHS then that is likely to be quite attractive to commissioners.

Other funding organisations may take a different view. The Big Lottery is a good example because I think... well they might have shifted their views very recently but initially they took the view that they weren't interested in making savings for the health service because it wasn't the job of the Lottery to save money to the NHS. So they were very much focussed on social outcomes whereas for the beneficiaries of their system, sorry of the projects, and I was around them. As I say that's shifted a bit recently and they take a more holistic view but the point still applies, that for any particular funding stream the voluntary sector organisation will need to think very carefully about well, what does that funder actually want? And that may change the emphasis that they put on the social value that they generate.

CM What's your opinion about the Public Service (Social Value) Act 2012?

IE I don't think it's made a lot of difference to be honest. And that's partly because there's no teeth to it. There's nothing that forces organisations to follow it or to pursue any particular aspect of social value and it only requires commissioners to consider social value aspects, it doesn't require them to take them into account in any particular way. So if any public sector commissioner chooses to ignore the Social Value Act there's actually nothing you can do about it.

CM So, is because of its non-prescriptive nature?

IE I think that's the main point. And there's been various reviews of the Social Value Act that have reached those kind of conclusions but there's not much that I've seen that's happening about it. I believe there's another review being done at the moment, I don't have any details about that but yes, certainly if you look at previous reports, both from government and elsewhere, they suggest that the Social Value Act has made, so far anyway, it has made relatively little difference. And that doesn't mean to say that commissioners don't take account of social value, a lot of them do and some of them will say that they go well beyond what the Social Value Act requires. But in those instances the likelihood is that they would have worked that way anyway and that they didn't require the Social Value Act to get them thinking about social value.

CM It made any difference for VSOs?

IE I think it probably has at least in terms of raising the awareness of commissioners that the Social Value Act is there and it probably encourages them to think about social value at least, and whether they do anything about it will vary from authority to authority. I mean most of my work is in and around L. so I know L. City Council very well and I know some of the neighbourly local authorities but I'm not in a position to give a sort of national perspective on how different local authorities use social value. I'm sure it varies considerably around the country.

CM What are the top barriers in engaging with SVA?

IE Well the voluntary sector organisations would generally be very keen to engage with social value because it should in theory encourage commissioners to approach voluntary service organisations rather than purely approaching commercial providers. So from the voluntary sector organisations point of view it's good. It's just a question of how responsive the council are, the commissioners are to actually adopting those principles and translating them into commissioning work for the voluntary sector. Considering social value doesn't necessarily mean of course that you have to commission voluntary sector organisations to deliver.

There may well be commercial organisations, other networks that can deliver social value so it would have... yes, there are some advantages to voluntary sector organisations, particularly where they have close links with communities and volunteers all that sort of thing. But there's nothing that forces local authorities into using voluntary sector providers purely by virtue of the Social Value Act being there.

CM What other challenges are there in engaging with the Act?

IE The challenges depend purely on the attitude of commissioners in a particular area and some areas will be better than others. I think L. City Council for example will say, and I think they're right but, they already go well beyond the requirements of the Social Value Act in the way that they engage with voluntary sector organisations. And my experience suggests that the voluntary sector in L. is very strong, it's very well organised and it's in a good position to provide [inaudible] and at least offer services that fulfil what the Social Value Act expects.

Other parts of the country, the voluntary sector is not as well organised. It doesn't have the kind of infrastructure that it does in L. And in those situations voluntary sector organisations are likely to find it could be a bit difficult to respond and indeed to challenge local authorities on their use of the Social Value Act.

CM Does voluntary organisations attend the co-design of services and social value strategy together with local council?

IE There's certainly an awareness and yes, a commitment to demonstrate social value. Now the best example I can give you of that is not actually a council one but it's commissioned by the CCG and it's one of the case studies that I added to my website a couple of days ago. And this is the health grants programme where two of the three CCGs in L. collaborated to provide grant funding of around £2 million to voluntary sector organisations in L. And part of the project involved demonstrating the outcome that these projects achieved, and they were very much about social value, they were about health, they were about well-being, they were about reducing social isolation. All of those types of things so have a look at that on my website. But that never relied on the Social Value Act and I don't think the report which I compiled makes any reference to the Social Value Act as such. It's an example of social value being inherent in what both the commissioners and the providers believe. Yes, there's that's the best example I can think of and it's a good example of how things tend to work in L.

CM How the social value was defined in these projects and monitoring process?

IE Well the mission, the whole purpose of voluntary sector organisations is linked to social value, particularly in terms of the health and wellbeing of the people that they're working with. The way that it worked in practice is that each of the projects, and there are sixty something projects, each of those had its own evaluation and the methods of evaluation that they used varied. Some were purely qualitative, others had much more detailed quantitative information as well.

But they all focussed on aspects of social value, you know what they were delivering for their service users and [unclear]. And my role in that project was really to pull together to review those individuals and come to some conclusions for the project as a whole. And there's a link on my website to the report itself so you can read the details there.

CM You are talking about the health project?

IE Yes, in that instance it was a health based project, yes.

Yes I think, well it's not just me that considers it successful, but L. Community Foundation who actually ran it and the CCGs who funded it, they both considered it a very successful project as well. And it brought considerable benefits not just in the outcomes that the project's achieved with service users and others but in learning, in shared understanding between statutory services and commissioners and other parts of the NHS.

CM How was delivered?

IE The project began by the CCGs making funds available. Voluntary sector organisations then had the opportunity to bid for some of those funds by suggesting new and innovative ways of working. There was a panel that met to decide which of the many applications they would fund and how much they would fund it.

And each of the bids was explained what outcomes they expected to achieve and how they were going to monitor those outcomes. So that formed the starting point for the project and there were, well the actual detail of it is fairly complex but there were several rounds, different people starting at different stages. But yes I think the difficulty in pulling it all together of course is that you've got different projects working with different people on different things although all on a similar theme, all related to social value. So that's what I brought together in the final report.

CM There were many stakeholders working on these different projects?

IE Yes each project would certainly have its own set of stakeholders. Certainly the people they were working with, in many cases there were other organisations or individuals involved. Some were able to demonstrate savings to health services and a lot of the learning in fact came from the fact that projects relied on getting referrals to them from GPs or other NHS providers and that in turn encouraged further links between NHS services and the voluntary sector.

And that was part of the learning because you know, establish those links, establish much greater understanding between those sectors.

CM There were any challenges in working together and engaging all the stakeholders in this process?

IE Yes there were certainly challenges as the report explains. The biggest is, well firstly one of timeframes, where it takes time for new projects to get underway and so there's a time lag between funding being awarded and the project actually starting. I suppose the second biggest challenge, and this is what the learning is really trying to overcome, is difficulty in getting referrals from health services, from the NHS I should say, from the NHS to voluntary sector organisations. Because you're relying on GPs or specialist NHS people to be aware of the voluntary sector offer and to refer people outside the NHS to these other support organisations. And that's not something that NHS practitioners are used to, it's not something that's been common practice in the past. And so yes, that's an obstacle to be overcome.

CM Did the project worked with a specific definition of social value and trying to align that definition to its implementation?

IE No, you know, the projects were generally around people's health and wellbeing and also captured wider benefits for example, benefits to friends and families, benefits to the NHS and benefits to the voluntary sector organisations themselves because they learned a lot and made a lot of new contacts.

But there was no agreed definition of social value going into the project. We evaluated that with an open mind, we just saw sort of what came from it.

CM Do you have examples where the project started with a social value definition and strategy and tried to monitor the project based on that definition? It's working like that in practice or it's not really?

IE I don't think that the voluntary sector organisations involved would have... I'm sure they didn't actually set themselves up with a definition of social value. They simply said you know this is what we're going to do, these are the outcomes we are going to achieve. Now certainly you and I would recognise these outcomes as being closely linked to social value but for the voluntary sector organisations concerned, you know that's a definition that they didn't refer to.

Any voluntary sector organisation that work from a council or other public service commissioner would look at the requirements of that particular project. They'd look at that specification. And the specification should of course include some aspect of social value and, I'm just trying to think... Yes I have seen some invitations to tender which just ask bidder, really, what more they can offer or how they're going to demonstrate extra social value in a project.

In other cases where the commissioners may well be more specific. They may talk about demonstrate how your project would benefit the local economy for example, or how it will help the health and wellbeing of the people you work with. So commissioners, from what I've seen, commissioners will sometimes make a general reference to social value without defining it very closely or alternatively they will specify outcomes which are what they are looking for in terms of social value and the bidders will then address those specific outcomes.

CM It is there any pre-commissioning stage where stakeholders are invited to set priorities around the outcome in the area?

IE That will vary from area to area. I am aware of some commissioners having done that kind of thing. And indeed the other thing that is interesting from L. City Council is that go the things, firstly they have a social value charter which explains their approach to social value generally. And it commits the council to how it proposes to address social value.

I mean if you just Google, L. Social Value Charter, that will appear and beyond that they have been developing a commissioning code of practice which specifies in more detail how the local authority plans to work with voluntary sector providers and the various principles they would follow. And social value forms a part of that but there is a lot more to it as well.

CM Could you tell more details about it?

IE I'm just trying to think. What has happened in I believe quite a lot of local authorities as a result of austerity and cuts, is that where they have commissioning contracts with voluntary sector organisations, they have tried to merge a lot of small ones into fewer larger ones. So, the L. example goes back a few years now, that there were separate network organisations supporting mental health, learning disabilities, older people and physical disabilities.

And those are now merged into a single forum, called Forum Central. And the council provides funding to that central forum.

There's another example that I came across from another local authority, again this is two or three years ago. In that they decided they wanted a single contractor to provide support around domestic violence, domestic abuse. And they brought together a number of the voluntary sector organisations who were involved in that field to discuss how they should go about it. That then subsequently was altered in the tender that they brought out.

CM It was effectively defined the social value strategy priorities? How to deal with that particular theme of domestic violence?

IE It was a lot more than social values, it lacked... you know the councils primary aim in merging what had been several small contracts into one large one, their main aim was to save money. A single provider can do it cheaper can do it cheaper than to fund a network of providers. Now that in itself has nothing to do with social value, that's the council saving money. A service that works in that field will naturally provide some social value anyway. That's, you know there's benefits to local people and the local economy if they're using local organisations to do that.

But social value was not high profile in that discussion. That's why I say the Social Value Act doesn't make a lot of difference to the way that councils or the commissioners work because in many cases they have to think of the money first. And if they're commissioning voluntary sector organisations as well there's the built in social value there anyway.

CM How you would describe the wider context of changes in the local council relationship with the VSOs? What’s the impact on commissioning for social value?

IE Yes as I've just mentioned, the fact of reduced funding, one of the things it does is encourage either mergers or joint bids from voluntary sector organisations. It also [unclear] them to seek funding from elsewhere. So some voluntary sector organisations in the past might have relied on commissioning tend to go elsewhere and in that sense it's quite useful for the voluntary sector organisation to be able to demonstrate the social value they achieve. Because that would certainly influence some funders like grant funding organisations.

But again that's nothing to do with the Social Value Act because that's not commissioning. The other... sorry, just looking at my notes... the other side of the coin is that if voluntary sector organisations can convince commissioners that they can not only provide social value but can save money through statutory services then that actually provides quite a powerful incentive. One of the case studies on my website is L. Survival Aid Crisis Service and that was a social return on investment analysis that had originally been in 2012 so it dates back quite some time. But that demonstrates social value achieved including saving to statutory health services as well as of course benefits to people concerned. Now that organisation has now come back to me and said that they would like me to update that analysis because it's now pretty much six years old.

In the meantime their income has just about doubled from what it was in 2012 and most of that money has come from commissioning despite austerity and cuts and so forth. And the reason for that is that the health services in L. recognise that the big volume in mental health crisis, people committing suicide basically, that this organisation can provide a better service at lower cost than NHS services can. So that's kind of win-win, there's social value there and as part of that it costs the NHS less. So that's an example where austerity and cuts actually benefits the third sector because the NHS is commissioning this work rather than doing it in-house.

CM How these change has affected the role of voluntary organisations in delivering services?

IE I think it helps to focus them more on the outcomes they achieved. In the past many voluntary sector organisations had focussed very much on what they were doing without necessarily thinking are we doing this in the best way or what value are we actually achieving or service used on the [unclear]? There's an increasing awareness of the importance of outcomes. You need to demonstrate not just the outputs you're achieving, not just for example the number of people you're seeing or the number of sessions you're running. Voluntary sector organisations increasingly need to be able to demonstrate the difference that they make to people's lives. And I think yes, there's an aspect of this that is... there's a raised awareness of the importance of social value and those sorts of outcomes, not just financial outcomes. That would have happened anyway, whether or not we had the Social Value Act.

CM So you mean that is an independent phenomenon which was happening anyway?

IE Yes, it was happening anyway, before the Social Value Act appeared and has continued since.

CM What are the drivers that are pushing the voluntary organisations toward social value?

IE Because there is an increased understanding of the importance of social value and of those kind of outcomes and that learning has been growing over many years from all types of funders. Commissioners certainly realised it, grant funding, foundation trusts, those sorts of organisations certainly realised it. Because if you're dealing with donations, if you're handling grants, well you need to be sure you're getting the best value for money. You need to be sure you're achieving the aims of that fund in terms of change, not just in terms of how many people come through the door. So that's, as I say, that's been growing over many years.

CM How the VSOs are dealing with commissioning and demonstrating the results of their work?

IE They are learning, it’s a gradual process. Some voluntary sectors don't find... some organisations don't find it particularly easy and even within the health grants programme that I talked about earlier there were some people who found that the evaluation methods that they started using didn't work very well and so they changed it to better ways of assessing the outcomes they achieved. So yes, the voluntary sector organisations are certainly committed to measuring and demonstrating these outcomes, really they have to be in order to sustain their funding for the future.

CM Which are the top barriers?

IE Well, obviously, the amount of total funding available is a big barrier. Funds for some councils will simply prioritise the money without taking into account of social value and some parts of central and local government are not yet truly committed to this. I'll give you an example of a very bad programme from a social value point of view. The Department of Communities and Local Government for some years has run what they call the Troubled Families Programme, I don't know whether you've heard of this?

CM No.

IE Just google it to find the details, Troubled Families Programme. The idea is to provide particular support to families with multiple difficulties, something from long term sickness, truancy, and anti-social behaviour, often and all in the same family. So the idea is rather than their having multiple agencies dealing with it they're given a champion to liaise with them on all of these areas. Now the evaluation of this programme has relied almost entirely on savings to public funds, it takes virtually no account of what the families themselves think of it or any other aspect of social value.

And that's a programme being run by central government which also produce the Social Value Act so that programme really ignores social values. So there's a few bad examples of that, I think that's it.

CM Thank you