IP10, Infrastructure organization manager(M)

Speaker Key:

CM Interviewer

IE Interviewee

CM What is your experience with commissioning for social value?

IE I’m the public affairs manager, my job is to try and influence legislation and regulation on behalf of social enterprises. As part of that role I have conducted and been part of research about the social value act and written quite extensively about it with the aim of trying to encourage the government to extend the act and produced evidence base in support of that. So that’s kind of basically my job role.

In terms of work that I’ve done since the procurement and social value act I undertook research and published, I researched how local authorities were using the act. That was done by freedom of information act with the principal local authority and that’s PG which came into force in 2015. I took part with, in a partnership doing a similar piece of work for looking at the way the clinical commissioning groups were using social value act. That was produced in healthy commissioning, that was last year, 2017.

I helped, contributed to the publication OMOF which was looking at how the social value act was, could be developed. And I suppose before all that I helped put together the submission to Lord Young when he did his review of the social value act in 2014/2015.

Oh, I’m also, I’ve also done some consultative work on behave of our local authorities, trying to help them make more use of the act.

CM What’s your opinion of the SVA impact on the local councils? Has achieved its objectives?

IE Yes, that’s interesting. I suppose the original aim of social value act was to support and favour voluntary community, charities such as, social enterprises in the VCSE sector. In reality that impact is probably quite limited but it does vary enormously. What seems to be the case is initially local authorities used the act to... And also local authorities can offer a platform to commissioning groups.

Local authorities initially used the Act as a way of doing what they would have done otherwise. But the Social Value Act allowed them to do it legitimately and transparently. So they would have spent a long time designing contracts in a way that VCSE organisations are more likely to win and the Social Value Act meant that the process could be– short cut.

As understanding and comfort has come about the Act and the commissioners have been less concerned about being challenged legally on its use I think we’ve seen more dynamic, more interesting ways it’s been used. I mean the P. model is probably the highest profile one where the local authority is using it as a deliverer to social and economic transformation with the aim or creating cooperatives [unclear] I’m sure you know, it’s the C. model.

Others are less overtly political in the way they use it and we see a lot of particularly conservative councils using it to support the charity sector in a small way. About a third of local authorities explicitly use the Social Value Act but it does vary enormously the extent to which they use it and what they use it for. And now it’s kind of refining P for G.

In health commissioning for health and community commissioning groups there’s a different understanding of what social value is. And that tends to be more sustainability and supporting community and voluntary groups that have more of an equality purpose as well. And within public health the Act is used much less but it seems to be used to explicitly support the VCSE sector. But very few of them use it to the extent that they could.

CM How local councils are understanding the Social Value Act in general?

IE Yes, I think awareness is rising and I think P., B. and S’s use the Act is really, there’s an awareness that wasn’t there maybe three or four years ago that this is something that they can use to achieve strategic or corporate aims. There is an innate conservative, with a small C, attitude amongst commissioners still they don’t want to be caught out; they don’t want a legal challenge, that’s expensive and embarrassing.

They, I think there’s still an awareness about the extent to which they can use it if I was going to be honest, even amongst those that are quite kind of enthusiastic, they’re very cautious.

CM There is a problem with understanding what social value really means? Or it’s just a legal concern or other...?

IE I’m not sure anyone really understands what social value is and it’s defined in the Act as social, economic and environmental considerations. That can be pretty much anything you want it to be. I think there’s a – maybe a lack of imagination sometimes. And I mean I don’t think it’s necessarily the commissioner’s fault, I think politicians set the council’s, a strategic steer and there’s an expectation from them that the officers will then deliver that.

There’s a disconnect in that I think if politicians knew and understood better what, how they could use commissioning to achieve strategic aims they would be telling their commissioners to go and explore this. And if the commissioners really understood how they could use the Social Value Act and how they could use the public contract regulations 2015, the flexibilities to deliver more explicitly political strategic aims then they would do so. But there’s a middle person missing whose role is to say you two should talk to each other.

CM What do you think about the relationship between local council and VSOs in this context?

IE Yes, I think certainly austerity has got, and maybe cuts to local government have an effect on that with fewer people around to think frankly. You know, they’re off busy doing things. I think that there’s probably some problems in the commissioning cycle and budgets are agreed quite late.

Therefore when it comes through to do the commissioning stage there is a time pressure to just get the tender out rather than actually have a think and have space to think about how you could design a service more flexibly and [unclear]. And more kind of outcome based than output based.

CM What impact had austerity on the voluntary sector organisations in their engagement with commissioning contracts embedding social value?

IE I mean austerity is terrible but also beneficial in a really old dichotomy so that on one hand it’s created significantly more demand for our services. The more homeless people the more people who are going to access the essential statutory services. More people kind of living precariously. At the same time it forced the public sector to do be more value centred because they have less to spend. And the more progressive ones have worked with the VCSE to deliver aims and objectives.

I think there’s, sorry, I probably should be better but it’s a bit noisy isn’t it? So there’s no dichotomy between austerity being terrible but also probably resulting in a larger VCSE sector in some respects. There’s also, in terms of the relationship between the two I think they; it obviously varies enormously from area to area.

I think the links could be stronger and the very best places have a strong effective partnership usually driven by the council which takes into account strategy partners and the VCSE sector. Where there’s, I mean [unclear] that partnership approach. It’s quite difficult to generalise because it’s a very patchy picture.

CM What are the top barriers for small medium voluntary organisations in engaging with contracts commissioning social value?

IE I don’t think most VCSE organisations have an understanding of what they need to be asking their commissioners to do in order to design contracts that they might win. And mostly because it’s about asking their commissioners because there’s a – there’s obviously a relationship there that you, a financial relationship that they don’t want to compromise or ask the wrong questions.

And that’s where I think when you’ve got a partnership it works quite effectively, where you haven’t there’s an antagonist – possibly an antagonistic relationship. And most pieces, the smaller ones are typically doing to think again. I think throughout there have been changes to the way that services have been commissioned, which is unhelpful. And payment by results would be a typical example of that.

And it could work with a bit of redesign but there’s clearly not enough kind of co-design going on, there’s not enough pre-market engagement going on. And commissioners will say that I don’t have time to do that, or capacity. And it’s probably also true from the VCSE sector. They’re too busy fighting and delivering the services and juggling their volunteers and making sure that they’re keeping it on the road to really have that time to engage positively.

CM What effect would have a more engaged relationships to shape the service design?

IE I mean I would suggest that relationship should probably be held by the local borough organisation for the VCSE sector but they vary enormously in quality where they exist. And they vary enormously in quality in terms of their understanding of what social value is. And indeed they value enormously in terms of the relationship between themselves and the council. Sometimes it’s very antagonistic sometimes it’s they are actually institutionally robust. It’s quite a delicate line to be able to push back but not be aggressive.

CM The lack of understanding social value, to what extent affects the delivery and the implementation of the commissioning projects embedding social value?

IE I would say I think it’s impossible to demonstrate that any procurement contract has been won because of the social value element. I mean part of that’s confidentiality is an issue but partly because a typical 10% weighting for social value might not be enough to overcome the cost of the equality aspects.

So what we would expect to see is that a VCSE organisation can compete on price on quality with any other organisation and in that respect a 5% or a 10% is not going to make any difference. It also varies in how it can also count against social enterprises. So what we’re seeing a lot of the time is I suppose what you might call community benefit schedules where a councillor would say great, you’re going to win this contract. This is the contract and this is the social value which we would like to see alongside and that typically is around apprenticeships and working with schools, community engagement. Now some of those and they could be quite rigid and quite endogenous in what those, what they want to see from a contract. That’s not necessarily what a small organisation can deliver. And therefore they might get struck down on that.

And actually creating barriers rather than using it holistically and saying we want to see innovative service design as part of social value. We want you to tell us what you want us to get. Whereas council officers deal with the need often to be able to report back and measure and monitor what social values they’ve got on behalf of the local population to their particular colleagues.

Now depending on how the relationships work you can still end up with a community benefit schedule if you’ve had pre-market engagement with social enterprises and they can say oh yes well include this and this and this. And then that gets put into the community benefit schedule. Without that conversation then the council will say this is what we want without regard to what a VCSE organisation can deliver.

CM So you mean that it’s crucial to have the pre-commissioning stage, a kind of gathering together to understand better how to deliver and what are the needs?

IE Yes, you put it much clearer than I could. That’s one reason.

CM How you articulate and define social value?

IE I would say when we talk about social values we too often use it as a shorthand for social environmental and economic value and we would say that it’s also about longer term, a longer term understanding of what value is. So it’s not necessarily easy to measure, it’s not easy to monitor. You know what it is when you see it.

CM So, you mean, the tendency is towards tangible measures?

IE That’s right.

CM What about the broader holistic view on the social value?

IE It’s, I think, where you’ve got a really good partnership then you get that and one example I would use would be around care providers for the elderly. You can, what is the value of a care provider going into your grandmother’s home, doing the ironing, and doing the washing up. Or you can put a financial value on that.

You can’t put a financial value on him or her having the time to make a cup of tea and a talk which is very often what the most valuable thing is probably. That to me is what social value is, it’s quite intangible. And the person having the care is I like getting my ironing done and someone to get me out of the bath but what I really want is to talk to people and have that human relationship.

And that’s impossible to measure pretty much and impossible to... That social, that to me is kind of what genuine social value is, it’s being tangible.

CM What is social value? It’s more about the process or the outcome?

IE Oh it’s about the outcome.

CM The encouragement of engaging local council and VSOs in shaping services design is part of understanding SVA?

IE What I would say is that if he didn’t have the Social Value Act you could probably still have contracts which embraced the notion, the philosophy of social value, if you had good commissioning. So kind of social value is good commissioning and the Social Value Act encourages commissioning and the Social Value Act encourages commissioners to do good commissioning.

But you can have all the processes and all the policies you want and if you have poor quality commissioning you’re still not going to get social economic environmental value. Likewise if you’ve got good commissioning and you don’t have a policy you can still end up with the same outcomes.

CM Could you give me some positive examples of engagement of VSOs in some projects of commissioning for social value?

IE Yes, I mean I think the C of L is really good. They have a social value panel which I sit on. They typically they have time and space to consider social value within their commissioning cycle. Their commissioners will sit down and have a think about how social value can be incorporated into the contract. And also how they can get an additional benefit. They at times do really have to consult the market, customer market, and see what can be delivered.

They will look at whether contracts can be broken up into smaller lots for the VCSE sector. They will make determined efforts to reach out to SMEs and to VCSE organisations within the neighbouring boroughs which can be quite deprived and they also have got to take into account environmental factors very strongly in that they do, the air pollution is a massive issue for them as is congestion.

They are very concerned about, you know, apprenticeships and having access to them and giving opportunities to particularly young and exploited people in the neighbouring boroughs, accessing jobs and are absolutely committed. I mean it’s very difficult to give specific examples because they tend to be quite confidential. But I absolutely commend what they’re doing and how they do it.

CM Which are the most prioritised sectors or services?

IE Well the Act is focused on services, goods [unclear] services on the predominant amount. Government guidance encourages local authorities to go out and go beyond the boundaries of the act and apply it when and where they want. I think it’s easier for them to apply it to contract and infrastructure works because apprenticeships come very naturally and particularly where you, the community benefit schedule approach is understood within construction because they’ve been using it in planning [unclear] and planning gain agreements.

And that’s been a direct [unclear] transfer, acknowledged from that section. And also the construction and apprenticeships, it’s relatively easy to put financial value on those because the VCSE organisation can [unclear] costing to how much apprenticeships cost. So it’s easier to apply it to construction.

It’s harder to apply it to services. And it’s, you get difficulties around IT and things like that about how can you fit social value into IT related projects. So that’s kind of a challenge I think a lot of the time. Anything finance related it’s very difficult to get social value out of. And most services involving people physically doing things you can get social value out of, the challenge I think is around kind of financing, back office things. It’s harder to imagine what social value looks like in those contexts.

CM Could you provide an overview about the commissioning process for social value, how is working?

IE So typically you have a contract delivering X, X or Y. As that comes to an end of the cycle commissioners should then begin to think about what they want the service to deliver with 12 or 18 months to go. And they will ideally think about outcomes rather than outputs.

They would then do market testing, pre-market engagement to see whether what they’ve got in mind is possible and what kind of organisations could deliver it if potential suppliers have got imaginative ways of delivering this and whether that can be built into the project.

CM In the pre-commissioning stage, to what extent does the local council engage VSOs to set a social value menu?

IE In the example of ones like S. and B. quite a lot, in most cases not very much. They wouldn’t, it’s probably quite hard to distinguish because if they’re talking to potential suppliers they wouldn’t necessarily think about a VCSE separately to other suppliers, just say these organisations could do it. And it might be age concerns, it might be social care. They wouldn’t necessarily at that stage distinguish between the different forms of organisations.

Then just in that process then you put a tender together, there are different ways of – a competitive dialogue. You know, there’s a number of ways that the tender can be organised depending on what you want to achieve and how much resources you want to get. And then they would judge it. There’s a very good paper by H. community transport on that J. model. If you drop me an email I’ll send you it, about how they, I think it was J. or G., which is technically outside UK domestic law. But they adopt UK domestic law.

And there’s a very good paper about how they have that conversation with, I think it’s J., how they deliver the services and how they win the contract and the conversations that they had pre-market engagement. That’s a really good example of how it could be done and how it should be done.

CM What’s your opinion about local councils ability to measure the outcomes of the commissioning contracts?

IE I think most councils we talk to would say it’s a real challenge. I think broadly there are two ways of measuring it, there’s the simple way and the difficult way. And the simple is reductionist and crude. And I’ll speak more about that in a second. And complicated way is expensive and quite economically, they probably come out with probably different results although they’re based on the same principles.

And if you do either, what you can’t do is both, you can’t have a combination of difficult and not. So the kind of simple reductionist model an example of that would be the SVP approach. You haven’t come across that. But it’s, we think it’s quite a reductionist model. It’s a complicated kind of social impact measurement, the economics foundation are probably the experts and... Now in terms of the principles I think the best thing I’ve read is the SVI principles and both [unclear] and SVP that probably would share those principles. It’s just that it’s implemented in very different ways.

CM What’s your opinion on commissioning for outcomes and co-production in practice?

IE Again I’m less knowledgeable about like the doing of it, my impression is not that much talking to social enterprises, but it’s patchy. And it probably varies from contract to contract, it varies from authority to authority and it varies from time to time. So I don’t, I wouldn’t feel comfortable about saying very much about that to be perfectly honest.

CM It is there a new phase of commissioning, like commissioning for social value?

IE Yes, it should do, yes, I mean that would be the aim and that goes back towards saying about in a way social value is good commissioning, that’s what we want to see even if we didn’t have an Act. You’d want to see that kind of those relationships develop and they probably develop in some places before the act existed. One would hope that the act would facilitate that process. I don’t know whether that’s the case.

CM What barriers are there for VSOs?

IE NCVO might go back to people to talk in terms of this. NCVO, which is probably better to talk. My instinct would be that most would be really up for it. But that doesn’t happen often. But I’m not sure I can evidence that, but that’s my instinct. I mean I think it’s just about time and money and having that space to do it properly. And that’s maybe where austerity comes in again.

CM What are the barriers with evidencing social value?

IE Yes, I mean I think it’s variable, again probably most social enterprises would be interested in doing it. There’s quite a lot of pro bono social impact advice available for those who want to kind of measure. We wouldn’t, you know, we encourages people to measure. We encourage our members to kind of look at social impact measurement but they don’t recognise it. People have got busy lives and they’re kind of running their businesses at the time and that is a distraction in some respects. But if you don’t measure what you’re doing, you can’t track what you’re doing. And I guess that comes back to the simple and the difficult ways of measuring social impact and monitoring.

In a way it doesn’t matter what process you use as long as you can see progress. All methodologies are good but as long as you maintain a similar methodology you should be able to see whether you’re going backwards or forwards. So yes, we think impact measurement is important but we do recognise people have got jobs and businesses to run.

CM Thank you very much.