

SOCIAL VALUE & VCFSE SECTOR

Key Messages for our Commissioners

The VCFSE Commissioning and Investment Group aims to influence how Social Value is thought of, measured and secured by commissioning and procurement colleagues. These are our key messages and asks to our partners working in these areas.

1. Social Value can be inherent, as well as added on

2. Be led by communities, and build long term partnerships that can deliver

3. Reward social business and local organisations

4. Business: community matching support is key

5. Review your costing model for the Social Value Portal

6. Be proportionate in your approach to bidding and reporting

7. Support local VCFSE infrastructure to lead on Social Value

8. Review the outcomes that you want to achieve

What do we mean by this?

1. Social value can be inherent, as well as added on

- Current Social Value processes and guidance were established to realise social value from the private sector contractors. We need approaches and measurements that reward social value that is built into a day-to-day delivery model, so that the VCFSE sector is not disadvantaged, and so that we avoid under-reporting the true impact of social value in Greater Manchester.

Our ask: Review and update your processes and guidance to reflect all potential bidders.

2. Be led by communities, and build long term partnerships that actually deliver

- Social Value work should start from a position of what the community wants and needs, rather than what a business can offer.
- The system needs to move away from a one-off gift model, and toward securing long-term mutually-beneficial partnerships with the flexibility to respond to local need.
- We need greater focus on assurance - making sure that the social value is actually realised.

Our ask: Make your processes are community-first and create reciprocal partnerships; and put more time into making the social value plans a reality.

3. Reward social business and local organisations

- Scoring mechanisms need to reward social businesses and local organisations that are already embedded in local communities, that employ local people, use local supply chains, reinvest surpluses, and know their communities well.
- Too often, existing successful local VCFSE organisations have lost out to larger national organisations that don't know the area - or the people - leading to a poorer quality offer.

Our ask: Review and update your policy and processes to reward organisations that invest back into their communities, and have local knowledge and networks.

4. Business-to-community matching is key

- The longer-term cost : benefits of community matching are significant, and should be prioritised in a social value model.
- Business-to-community matching is a time-consuming, specialist skill, requiring in-depth knowledge of local communities - local VCFSE Infrastructure Organisations are well placed to do this.
- Online Social Value Brokerage systems can provide a place to store and share opportunities and a new way to track and measure social value. However, these can feel transactional; smaller organisations need support to use them; they can ask for a level of data that feels intrusive to an organisation; and they still require VCFSE infrastructure resources to do the relationship-building work to make the opportunities happen.

Our ask: Resource the VCFSE organisation to deliver matching as part of your Social Value model, or consider how you can devolve existing resources to the VCFSE sector. Recognise that online brokerage systems can be helpful, but the model also needs infrastructure support to make the matches a reality.

5. Review your local costing model for the Social Value Portal

- The cost of the SVP often feels disproportionate to the funding received, particularly when it is not built in to project costs.
- The application of standard % fees to the total value of the contract disadvantages organisations providing onward funding to others, the type of contract often held by medium and larger VCSE organisations.

Our ask: Consider if you can develop a different approach locally, such as funding VCFSE organisations' use of the system, or tiered costings for different delivery models or organisation sizes.

6. Be proportionate in your approach to bidding and reporting

- Local VCFSE organisations (and SMEs) have significantly smaller back-office functions than your other bidders. Any excess bureaucracy will disproportionately affect smaller organisations, and detract from them delivering the social value itself.
- Stories as just as a valuable as hard data when understanding social value impact.

Our ask: Review and streamline your bidding and reporting processes, with VCFSE and SME input – and broaden the types of evidence that you use to understand impact.

7. Ensure that local VCFSE infrastructure can lead on Social Value

- Your VCFSE Local Infrastructure Organisation should be co-leading the local approach to Social Value, as they are embedded in their community, understand their needs, and know how smaller organisations operate. Bolton is a great example of this.

Our ask: Build the culture, relationships, resources and opportunities for VCFSE local Infrastructure to co-lead on the local Social Value agenda.

8. Review the outcomes that you want to achieve

- We need clear measures that reflect your community's needs and all contributions to social value. If the TOMS (Themes, Outcomes and Measures System) framework doesn't give you these measures, follow others and develop your own – Salford is a great example of this.

Our ask: Review your current measures with your local community to make sure they are the right measures for your local community. Work with us to find a tool that supports the VCFSE sector to accurately report impact.

A brief word on definitions

We recognise that the VCFSE sector use certain terms fairly regularly when talking about Social Value... our Alternative Provider Collaborative have developed some working definitions for these that we share here.

We think of **'Inherent' Social Value** as being something that is **built-in** to an organisation's function and reason for being. We believe that this tends to be present in organisations that:

- Have a purpose that positively supports society
- Are led by people in their local communities
- Employ local people and/or recruit local volunteers
- Use local supply chains
- Reinvest surplusses into their work
- Know their communities and local partners.

We describe organisations as **'Social Businesses'** when they:

- Have a mission or objective that will overcome a problem that threatens society (as opposed to profit maximisation)
- Are independent of state and/or government control
- Re-invest profits/surpluses towards their mission
- Are transparent in operations and impact.
- Are or are working to become, accredited Living Wage Employers
- Have an Equality, Diversity and Inclusion policy ensuring fairness and respect for all.

