



serco
INSTITUTE

Social Value

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Reimagining public services for citizens

‘Social Value – More Questions than Answers?’

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Despite the Social Value Act becoming law in 2012, the concept has not thus far become deeply embedded in procurement practices across the public sector. The Outsourcing Playbook marked an important milestone in the Government’s renewed vigour in promoting Social Value, which we all welcome, but there are still important questions to answer.


Our starting point is what Social Value should really mean. For some, it is just a subset of Corporate Responsibility or ESG; for others it is a fundamentally new addition that is central to the core of how we should think about, and measure the success of, public service procurement and delivery.

Defining Social Value is further complicated when it comes to implementation because of the multifarious approaches of different public sector bodies. To date it has been largely at the discretion of each contracting authority as to what Social Value demands it places on providers. Different government departments, for example, may have different priorities for Social Value depending on their responsibilities. Local governments may frame Social Value demands according to specific local issues. This ensures that each public entity can commission for the social outcomes most relevant to them.

Yet this flexibility is not always passed onto providers. We should ask if the more prescriptive a contracting authority is about Social Value, the more likely it is to compromise the creativity of partner organisations in shaping appropriately their own Social Value approaches? The challenge for governments is to ensure Social Value is delivered effectively whilst also allowing partners to play to their strengths. The question, then, is how much leeway should government afford to providers in shaping their own approaches to Social Value?

When framing approaches to Social Value both government and providers need to be cognizant of whether their proposals are truly measurable. The issue of ‘measurability’ is perhaps the biggest challenge facing the drive for Social Value. Input orientated metrics, whilst easier to measure objectively, may not generate real Social Value outcomes. Real outcomes are more difficult to measure (for example, mental health outcomes), yet could be more akin to

‘Social Value – More Questions than Answers?’ Continued



what we mean by true Social Value. Some Social Value initiatives may be effective in solving part of a complex problem (for example, rehabilitating ex-offenders), but measurement tools might be too elementary to recognise the positive impact of the initiative. The question, therefore, is how do organisations develop outcome orientated metrics and, crucially, the tools necessary to objectively measure them?

Finally, the administrative complexity of delivering and measuring Social Value may – if we are not careful – disadvantage organisations the policy seeks to benefit. Government is clear that it wants SMEs and VCSEs to benefit from Social Value. However, the administrative, human and financial resources required to deliver and measure Social Value could in some instances preclude smaller, more specialist organisations from winning contracts. This is a major challenge for contracting authorities: how to ensure Social Value is effectively delivered and measured without side-lining smaller organisations?

Social Value marks an exciting but underdeveloped theme in public services, strewn with opportunities and potential pitfalls. On one side there is the opportunity for government and partners to deliver far more than just services, on the other there is the challenge of delivering Social Value effectively while ensuring core deliverables are not compromised. Today’s event welcomes a select group of attendees from government, large and small business, and the third sector, each of whom has a stake in the social value debate. The Serco Institute’s hope is that this collective expertise will shine a light on many of the unanswered questions that characterise ‘Social Value’.

About us

We are a think tank originally established by Serco in 2002 to explore and develop thinking on mechanisms for delivering public services, and in particular around the benefits of contestability and competition; in 2012 the Institute became dormant. However, at a time when there has never been a greater need for public services which deliver high quality and resilience to service users, and which represent value-for-money for taxpayers, we decided to relaunch the Institute in December 2018.

While we of course look at what the private sector can bring to public service provision and we believe in the merits of diversity of provision, our thinking horizon is a much broader one and we look to examine how public services can be improved as a whole.

We seek to garner insight from experts from all sectors and from across the globe to help develop ideas which will underpin the next generation of public service solutions for citizens.

The more perspectives we gather, from academics, technologists, start-ups, outsourcers, procurers, policy makers, or charities, the more likely we are to capture insight that allows for the design and delivery of public services that make society work better.



Our mission is to help governments develop the next generation of public service solutions for citizens.



What we do

Governments worldwide are facing increasing costs, demands, deficit challenges, and expectations from citizens who are in return often experiencing higher taxation, underwhelming user experience and inadequate public service outcomes.

In light of this, we seek to:

- Improve the efficiency of the services governments deliver on behalf of taxpayers
- Make current and future public service solutions more citizen-centric and outcome-focussed
- Engage with some of the biggest societal and economic trends affecting what governments will need to deliver to their citizens in the years to come

We do this through working independently and through working with others to create and crowd-source innovative thinking and solutions that enable governments to improve public services.

We work to deliver:

- Research
- Innovation in service design
- Entirely new approaches to service delivery



Work with us

We work collaboratively to keep our reach broad. Through working with a multitude of organisations and perspectives we aim to facilitate a cross-sectoral approach that is capable of fostering better and more integrated future public services.

Please be in touch with us:

info@sercoinstitute.com
Twitter @sercoinstitute
www.sercoinstitute.com

