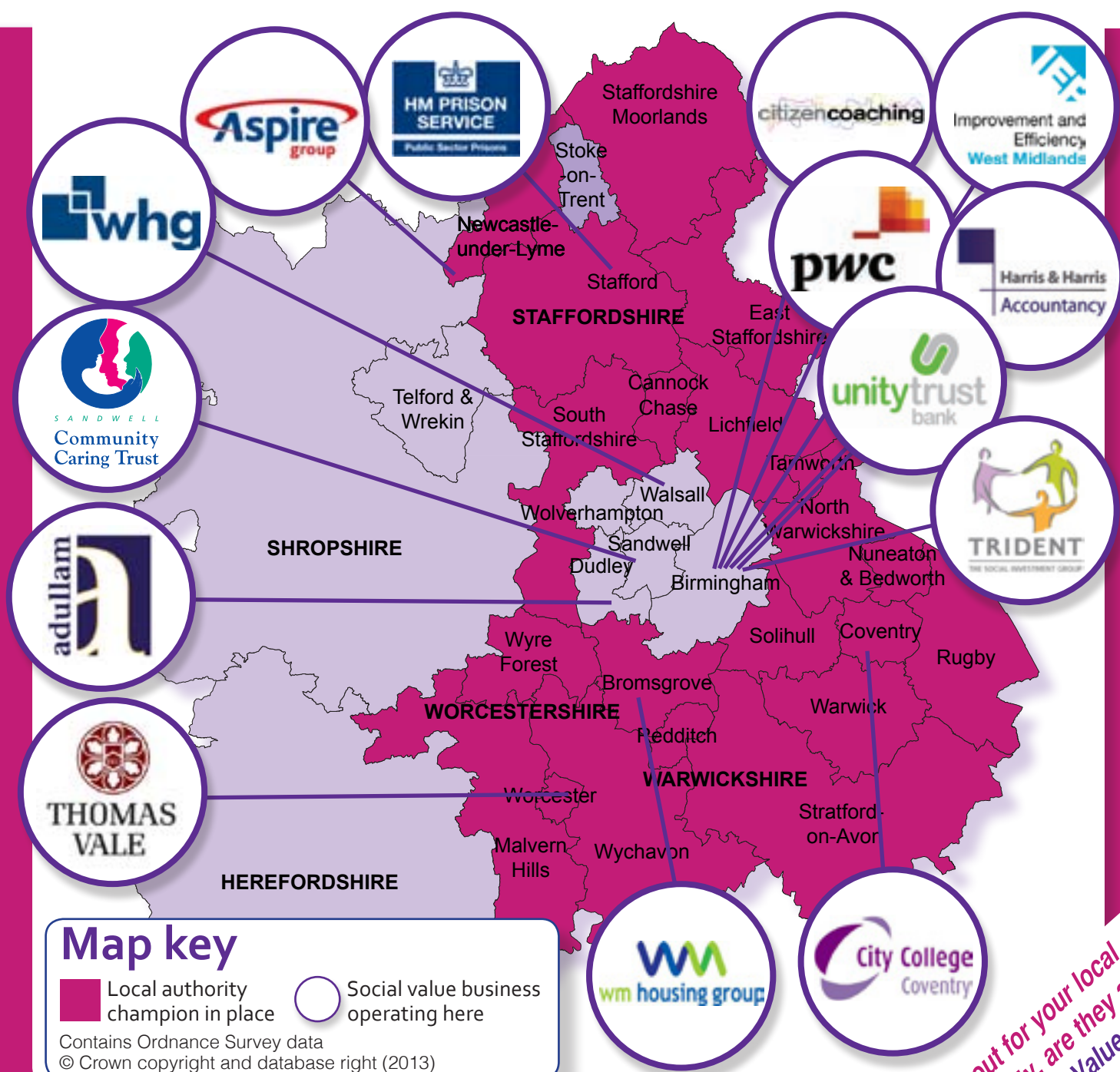


The opportunity of the **SOCIAL VALUE ACT** and how it is possible to **get even more for your money!**



Look out for your local authority, are they a Social Value Champion?

Will **SOCIAL VALUE** work for you?



2013 has the potential to be a big year for public services in the West Midlands and across the country. The Public Services (Social Value) Act which I authored and which passed through both Houses of Parliament last March is due to come into effect at the end of January.

The Act will ask public bodies to consider how they can improve the social, environmental and economic well-being of the communities they are commissioning for through service contracts and it will apply to a range of organisations from NHS trusts to housing associations.

The 'social value' approach could make a huge difference to communities on the ground by giving commissioners the chance to be more innovative in the way that they design contracts and by engaging with local organisations such as social enterprises to tap into local leadership and expertise.

In the long run by creating better outcomes and getting local citizens more involved in the delivery of public services we can spend money more effectively at a time when budgets are coming under increasing pressure. As a Member of Parliament for Warwick and Leamington, in the West Midlands, I hope that our region will take the lead in implementing the Act showing the way to deliver even better public services.

Chris White MP

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Social Enterprises have long been waiting for an opportunity that will allow them to deliver services to local authorities, state health care providers, justice departments, housing associations, and construction companies.

We want to make sure that the Public Services (Social Value) Act is that opportunity. I am often asked: "How much teeth does the act have?" It will take time for test cases and legal precedents, but this is not where the opportunity lies.

For the West Midlands the opportunity is to set the example for the nation. Social Enterprise West Midlands is working together with our members, our Social Innovation Partners and our Local Authority Social Value Champions to find that opportunity.

We will share our best practice, our pioneering relationships, our game changing commissioning strategies and the transformational results that the Social Value Act will bring. It is not about statutory enforcement but about the will to do business differently, creatively and intelligently.

We are not expecting an overnight change, but we are encouraging those who wish to lead the way to declare their commitment. Together we will celebrate success and every small but significant achievement. The Public Services (Social Value) Act is the opportunity for us all and we must take it, right now.

Melanie Mills, Chief Executive, Social Enterprise West Midlands

Local authority champions

The 33 local authorities of the West Midlands have an estimated combined annual expenditure of £16 billion. They will now have to take into account the Public Services (Social Value) Act.

To make this happen SEWM is seeking Local Authority Champions - the innovators and leaders who will share their successes, their learning and their challenges.

The first are:

- **Staffordshire County Council** – Ian Simpson, Head of Procurement (see page 4)
- **Worcestershire County Council** – Michael Howard, Strategic Procurement Manager
- **Coventry City Council** – Jenni Venn, Assistant Director Policy, Partnership & Performance
- **Solihull Borough Council** – Liz Welton, Head of Shared Procurement Service
- **Warwickshire County Council** – Paul White, Strategic Procurement Manager

Who will be next? Lobby your local authority to become a Social Value Champion too.

If you are a local authority and would like to find out more about how to become a Social Value Champion, please email: m.mills@socialenterprisewm.org.uk

Our Social Innovation Partners

Flying the Flag for Social Value

Unity Trust

A key supporter of social finance within the West Midlands, providing dedicated banking services for social enterprise and third sector organisations, whatever their size.

PwC

Adding Value through the provision of business mentors to help grow and develop the local social economy.

Harris & Harris Accountancy

The UK's only social enterprise chartered accountancy firm, providing professional services and support with investment readiness, financial sustainability, business planning and SROI.

Citizen Coaching CIC

A social enterprise enabling people to have better relationships at home and work using mentoring, counselling and coaching; creating additional social value through the provision of jobs and work experience in administration, digital media and content marketing for those furthest from the labour market.

Improvement and Efficiency West Midlands

Working with us at Social Enterprise West Midlands to educate, engage and inform commissioners and procurement teams on the opportunities the Social Value Act presents.

Trident Social Investment Group

A social business built upon the pillars of housing, caring and supporting people. Already embracing the Social Value Act and contracting with and developing social enterprises.

City College Coventry

Using social enterprise to take education and innovation further.

WM Housing Group

Already running and contracting with social enterprises through the provision of accommodation, support and new homes not for profit. Currently looking for ways to encourage and support enterprising solutions led by people from our communities.

Aspire Group

The Aspire Group provides housing, training and neighbourhood services. Their social enterprise arm Enterprising Futures provides support and strategic direction to our social enterprises.

Adullam Homes Housing Association

Fostering a social enterprise approach to sustainable work solutions for their customers.

Walsall Housing Group

Supporting social enterprise and creating social value as a core neighbourhood and community regeneration strategy.

West Midlands Prisons Alliance

Adding social value by exploring ways to create social enterprise jobs, reduce re-offending and make better use of public money.

Thomas Vale

Looking to lead the way as the first private sector construction business to become a Social Innovation Partner.

Sandwell Community Caring Trust

A social enterprise at the heart of caring for the community. Delivering additional social value for the local authorities and partners with which it works.



Local Authority Social Value Champion

Head of Procurement, Staffordshire County Council

Ian Simpson

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1. Why did Staffordshire County Council become a Social Value Champion?

As the largest employer in the county we need to lead by example. I really believe that we have a duty of care to do the best for our local economy and the people of Staffordshire.

2. How will you unlock the opportunities the Social Value Act brings?

The Act gives us the opportunity to measure what we value, whereas traditionally we have valued what we measured. The opportunity lies in how we use procurement as a tool to deliver those outcomes and realise those values.

3. What opportunities and challenges do you think the Act will bring?

Listen to your market if you dare! Some of the things they tell you may be uncomfortable to hear. Our tender documents started out with over 200 pages! By working with our stakeholders this has now been reduced by two thirds.

4. What action have you taken to try and level the playing field for social enterprises and civil society organisations?

We changed our requirements so insurance levels are relevant to the value of the tender. In addition we have taken out inappropriate requirements that effectively excluded new-start businesses.

5. How do you feel about the argument of cost versus price and getting best value for the people of Staffordshire?

Price is only part of the cost of any contract and we are now looking at added value so, price + added social benefit = total value. We want to know how suppliers will meet the council's priorities.

6. How will you measure social value return alongside more traditional financial outcomes?

Alongside our more traditional KPIs we will be looking to measure additional social value created in the same way, such as number of apprenticeships created. There is a misconception that the Social Value Act will just increase costs.

7. What guidance or top tips would you offer?

- 1.** Be brave, be bold, be innovative.
- 2.** If we continue to buy things the way we have always bought, then we will always get what we have always got and nothing will change.
- 3.** Go out and talk to your social enterprises and community organisations, it will be illuminating.

Levelling the playing field

Housing and care organisation Midland Heart worked with its customers to encourage social enterprises to tender for contracts during 2012.

Customers wanted to see local employment, a reliable service and personal contact from their landlord's contractors. It was this bottom up approach and the commitment of the Midland Heart team that drove this change.

The objective was to review the procurement process for landscaping, contract and window cleaning across all 32,000 Midland Heart homes.

This £1.8 m contract had previously been serviced mainly by one private sector contractor. Now it would be offered in a combination of 31 geographic lots, offered as single lots or combined to create larger areas so contractors of different scale and size could bid.

The objective was to 'level the playing field' and to allow smaller organisations to take part, while still being OJEU compliant and taking cost and service delivery into account.



Working together SEWM and Midland Heart:

1. Held a 'Meet the Buyer' event, attended by 55 social enterprises, community organisations and SMEs, to inform them of the opportunity and answer questions. A further 30 organisations expressed an interest by email.
2. Explained the subject of "social value" so contractors could prepare, collaborate and adapt. Had the chance to come along to the event and find out more. 55 organisations attended the 'Meet the Buyer' event with a further 30 EOI's (expressions of interest) received by email.
3. Adapted the PQQ and ITT documentation to shape the language and remove barriers for smaller businesses.

As a result half of the 52 PQQs received were from organisations whose primary purpose would be to demonstrate social value above and beyond their contracted service. Of the 24 organisations invited to ITT, 40% were from social enterprises and wider civil society organisations.

Midland Heart appointed eight contractors, which include a mix of social enterprises, local small family run businesses and large private sector contractors.

The contracts are also expected to lead to a financial saving of 6%, plus the additional social value.

In the future, Midland Heart will hold more "contract readiness" workshops, ensure social value is measured during and at the end of the contract and signpost bidding organisations to professional help.

Follow the link below or search for SEWM's YouTube channel to see a video on this case study.

Embedding Social Value in Procurement - Midland Heart



'Meet the Buyer' Open Day

Time: 9am-1pm
Date: 20th January 2012
Location: BVSC, The Centre for Voluntary Action
Address: 138 Digbeth, Birmingham, B5 6DR

Creative Commissioning for Better Outcomes

West Mercia Probation Trust and Willowdene Farm

West Mercia Probation Trust (WMPT) worked with Willowdene Farm to set up an innovative partnership that has delivered life changing results for offenders.

Willowdene was experienced in providing long-term residential work with serious drug users but had been unable to work with offenders until the National Offender Management Service decided to commission services it traditionally delivered in-house.

Three pilot schemes with Willowdene showed 75% clients completed and 75% not re-offending afterwards.

Willowdene created a new social enterprise - RITE (Relational, Inspiring, Trusting, Engaging) to develop the care farm's day service work. This business has created three full time jobs and provides income from trading activities, such as the sale of farm products, thus ensuring its long term sustainability and subsidising the true cost of delivery.

Offenders also know the work they do - which includes animal husbandry, agriculture, forestry operations, woodwork, vehicle mechanics, welding and IT - will subsidise the next group.



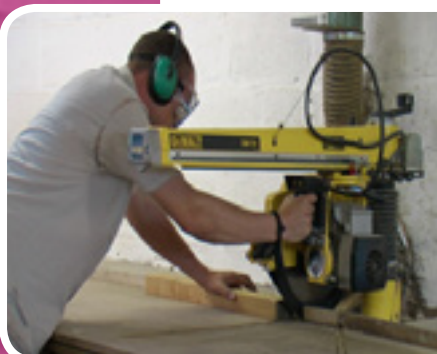
Matt Home, of Willowdene Farm, said: *"The focus is on skills enhancement, training and preparing offenders for employment. Offenders will gain a minimum of two nationally recognised qualifications, with the potential to achieve up to six more and a further five centre-approved qualifications."*

"The work we do also has a much wider social value, as it significantly reduces re-offending, inspires individuals to become active and it addresses health issues. It also enables individuals to become an active part of their community, entering into employment and positively contributing to society."

WMPT has also jointly commissioned with YSS, an independent charity that works with disadvantaged children, families and adults.

Through the Drugs Action Teams (police/probation/health/local authority partnerships) in three of their local authorities WMPT have established "respite beds" for those on the day programme in danger of breakdown. They are also looking to establish a residential programme for women who would otherwise receive custodial sentences.

David Chantler, chief executive of West Mercia Probation Trust, said: *"By working with our partners in the social enterprise sector we can increase services, achieve better results and at the same time create additional social value. By working with local communities we can best reduce crime and rehabilitate offenders."*



Creating new jobs

A social enterprise that helps train adults with learning difficulties prepare for work has created 10 new jobs through a partnership with an automotive industry supplier.

The Colebridge Trust has provided work experience and training at Waterloo Woodwork, its woodworking facility in Solihull, for the past 25 years, but its clients often found jobs hard to find after the training.



Charles Rapson
Colebridge Trust

A chance meeting between Charles Rapson, enterprise manager at The Colebridge Trust and Jim Griffin, managing director of Automotive Insulations, led to a new business relationship. Jim's business was growing rapidly and struggling with capacity issues, while the Colebridge Trust was looking for ways to increase its trading income and increase the number of people with a learning disability who had paid work.



"It was a stroke of good fortune that we met on the Goldman Sachs 10K programme," says Jim, whose business is dedicated to finding the most effective ways to manage sound and temperature. Jim had never heard of a social enterprise until he met Charles on the Goldman Sachs programme.

"It was a win-win for us both. I liked what the Colebridge Trust did and was keen to help. It's good business for us too. It helps win contracts and gives us great satisfaction to know we are making a difference. Social Value is a useful tool for the private sector too as it demonstrates added value in the proposals we make."

Colebridge is in no doubt that the principles behind the Social Value Act were significant in helping them win this business and will help win more in the future with both the public and private sector.

Charles was delighted to find that so many of the other private sector businesses on the course knew about the Social Value Act. While it is not directed at the private sector, the vast majority saw it as a useful tool in either showing added value or in helping select suppliers.

"It seems to work both ways." says Charles.

"Businesses who truly provide some social value tend to be good businesses to work with. There appears to be a direct correlation. It gives corporate buyers confidence and gives suppliers a means of demonstrating their professionalism and personality. It's an added USP. I spent 30 years working in industry and can completely understand why the Social Value Act is a powerful tool across all sectors."

Colebridge Trust Enterprises is now looking for other manufacturing businesses to further expand its assembly operations and create more new jobs.

Deal brings affordable broadband and jobs

Customers of Shrewsbury-based Severnside Housing are to benefit from a pioneering partnership with a social enterprise.

The landlord has joined forces with local community interest company, Social Telecoms, to offer residents affordable internet access and phone calls, plus free IT training and job opportunities.

Severnside Housing, which has 5,300 homes, consulted with residents in the Meole Brace part of the town and found a way to boost people's access to and use of online services, while bringing a vacant shop back into use.

Local residents had identified the need for a cyber café, but with the Digital Den opening in early 2013, they're getting a lot more. The hub will provide a new area office for use by Severnside Housing staff, the Police and other neighbourhood agencies, plus an IT training suite run by on-site staff, locally recruited and trained by Social Telecoms. Three previously unemployed people have got jobs with more to follow as the service expands.

With the Den in the heart of the community, residents will also be able to get pay-as-you-go, wi-fi broadband from as little as £8 per month, and huge savings on telephone calls and computer equipment. The partners hope that up to half of the area's 600 households will use the service in its first year. 'Mini Dens' in ten of Severnside's sheltered housing



schemes will also open up these benefits to older people across the whole borough. Social Telecoms is a community interest company specialising in the social housing sector.

Company director John Clarke said: *"It's a privilege to develop the Digital Den, which we think is the first of its kind. By bringing our commercial experience to the area, we can create a ripple effect of improved skills, enterprise and opportunities."*

Severnside Housing's resources director Peter Donovan said: *"We listened to what people said they wanted and the community has really embraced the idea. Many people are facing big changes with claims for Universal Credit needing to be done online. By procuring and working with a social enterprise rather than a purely commercial partner, we're getting a much stronger local economic and social return."*

Nationally, around 70% of social housing residents do not have permanent access to the internet from home. The high cost of accessing the web from many mobile phones is a further barrier to digital services for people on low incomes.



Measuring cost and the real price

Sandwell Community Caring Trust (SCCT) has undergone huge growth in turnover and staffing while running an efficient business through a strong focus on the social value it creates.

Since 1997 SCCT has grown from employing 85 people to over 600, from caring for 62 vulnerable adults to over 700 and increased turnover from £1m to £14m. Much of this has come from council and NHS TUPE transfers.

SCCT competes on price against other providers and has continued to improve and transform the quality of services provided.

It has maintained the substantial commitment it made as a result of its TUPE obligations, to fund pensions in particular.

These hefty commitments have been maintained not by cutting front line services but by having a major impact on the areas of unproductive costs at the point of service and personnel transfer.

For example sickness has been reduced from an average of 25 days per employee pre transfer to SCCT to just under 1 day lost per member of staff. Similarly, management and administration has been reduced from 22% of expenditure to just 6% annually with staff turnover reduced from over 30% per annum to less than 10%.



S A N D W E L L

Community
Caring Trust

Avoiding spend on things that don't add value allows the Trust to spend more on rewarding staff well and delivering more personalised services for customers.

Most importantly, as a social enterprise, SCCT does not have to generate shareholder value which would be diverted from improving the quality of services.

Geoff Walker, chief executive of Sandwell Community Caring Trust, said: *"We have a unique proposition that can return better value for public money and SCCT is a great illustration of what is possible by working together."*

"A private sector business could be taking upwards of a 20% profit margin from a contract to fund shareholder or owner value, whereas a social enterprise like SCCT takes 10% which is reinvested into the business. It is clear that the customer will get more from us."

"The Social Value Act gives all commissioners the chance to look at the real cost of the contract and this is where we can give greater added value."



Embedding Social Value in your supply chain



PM Training has doubled the size of its business over a four year period by using social value as a key factor in companies' recruitment decisions.

The Staffordshire training provider has traditionally worked with private businesses, helping young people often with few formal qualifications, to get trained and into a job. It has also long supplied direct services such as gardening and estate caretaking under contract to councils and housing associations. However, over the past two years it has greatly increased the number of companies who take apprentices through partnerships with Staffordshire's local authorities.

The councils invite their suppliers to a seminar and make it clear they expect business owners to create apprenticeships for young people. The "sell" is not just about creation of jobs, but also about working with a company that connects disadvantaged young people with life-changing opportunities. PM Training's parent company the Aspire Group has persuaded its own suppliers to adopt this approach also, while private companies

like Seddon have also enthusiastically told their suppliers also to take on apprentices. The result is hundreds of new apprenticeships created and a far wider reach than PM Training could have managed on its own.

The company has grown from a staff of 60 and turnover of £2.4m in 2008 to 190 people and £5.8m in 2012. It also has four training centres now, one in each council area of North Staffordshire.

Will Nixon, deputy chief executive of the Aspire Group, says: *"We say to councils, businesses and others: 'We are your corporate social responsibility agency. By working with a social enterprise you are getting what you want from an apprentice, supporting your clients' social objectives and meeting your social goals.'"*

PM Training provides 1,500 training and job places a year and sees 77 per cent of trainees progress into a job. Surpluses made by the social enterprise are gift aided to Aspire's charity the Realise Foundation and used to create further apprenticeships – continuing a virtuous circle of social value.



consultantSe

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Are you planning ahead for the Social Value Act?

From this month commissioners will be required to consider how the services they purchase could improve social, economic and environmental well-being of their communities. There is now a statutory requirement for Councils, Housing Associations and other public bodies to look at the social benefits of what they and their commercial partners are trying to achieve.

Do you need help to be ready?

SEWM are acknowledged experts and can help your organisation to identify the impact of the act within your current contract portfolio. We can assist in understanding the concept of 'social value' and help you to develop recommendations to generate opportunities for additional benefits in your local communities.

"A real opportunity to challenge existing processes and get increased value for money through the power of organisational spend"

If you would like more information and to discuss how SEWM's ConsultantSE services can help you, please contact Kevin Maton.

E: k.maton@socialenterprisewm.org.uk

T: 0845 450 7515 | M: 07941 827 229

Social Enterprise West Midlands | w: www.socialenterprisewm.org.uk | e: info@socialenterprisewm.org.uk | t: 0845 450 7515



Social Innovation Partner

At the forefront of **Innovation** in **Social Enterprise**

Are you a market leader with a great social conscience? With the advent of the Social Value Act, do you need a partner to showcase your innovation and achievements?

JOIN US and TOGETHER we can realise the true potential of social value for your business.

For more information on how to become a Social Innovation Partner please contact:

Melanie Mills at: m.mills@socialenterprisewm.org.uk



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get ahead

Join Social Enterprise West Midlands today

If social enterprise is **your thing...**

...become a **Social Enterprise West Midlands member** today.

PREMIER get noticed

Exclusive marketing benefits, significant savings on membership services, Premier events, professional and business development opportunities.

Our business is social enterprise

Social Enterprise West Midlands provides information, resources, networking events and a range of other services for anyone interested in starting, developing, or doing business with social enterprises.

Our mission is to help the social enterprise sector thrive – by servicing and representing the interests of our members, brokering new opportunities and providing affordable access to valuable services.

PLUS get connected

Pays for itself with exclusive offers on business services, training, seminars and networking opportunities to help make valuable connections.

Our members make up a vast network of sector expertise and include small start-ups, large businesses, private and public sector organisations, business advisers and individuals.

We can help you to:

- Make the right connections
- Access knowledge and good practice
- Raise your profile
- Do business
- Keep up-to-date
- Save time and money
- Learn from others and develop skills

BASIC get informed

Ideal if you're new to social enterprise and looking for information, resources and knowledge to develop your understanding and get up to speed.

Choose your level

There are three levels of membership to choose from – Basic, Plus and Premier – each designed to offer a range of benefits depending on your level of involvement in social enterprise.

Apply online

You can apply for membership on our website. It only takes a few minutes at:

www.socialenterprisewm.org.uk/join

Contact us

More information or questions?



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