



## Social Value Charter – Engagement Methodology and Final Responses

### Background

The Public Services (Social Value) Act 2012 made it a legal requirement for any public body (councils [but NOT town or parish councils], Clinical Commissioning Groups, Police and Crime Commissioners, Housing Associations) to consider how it may improve social, economic and environmental outcomes in its area AND how it might secure this through its procurement activity.

In Shropshire a Social Value Group was formed prior to the legislation going live in 2013 in order to consider a coordinated approach across the county's commissioners. The group is chaired by Lee Chapman and consists of representatives from:

- Shropshire Council
- Shropshire CCG
- West Mercia PCC
- Shropshire VCS
- Housing
- Provider organisations via Shropshire Providers' Consortium

### What is a Social Value Charter and why are we doing this?

Through the Social Value Group we are developing a Social Value Charter for Shropshire. This is essentially a commitment by signatory organisations to strive to maximise social, economic and environmental value through the things they commission or do. The initial focus will be on the 'Economic Value' element of Social Value. The public sector commissioning bodies (council, CCG, Housing Associations, PCC) can 'sign up' through adopting the Charter via their approvals processes. Shropshire Council's adoption of a Social Value Charter will require a Cabinet recommendation to Council.

The Social Value Group wished to engage with stakeholders around two proposals in connection with the Charter:

1. Whether adoption of a Social Value Charter would help to improve social, economic and environmental outcomes for Shropshire, and
2. Whether adoption of a 'Charter Mark' award would further help to improve social, economic and environmental outcomes

It is intended that providers and other organisations can voluntarily sign up to the Social Value Charter as a demonstration of their commitment to improving social, economic and environmental outcomes. It was further proposed that, once an organisation is a signatory, they will have the opportunity to be awarded a Charter Mark if they can demonstrate achievement in a range of measures.

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A draft Social Value Charter and measures in respect of 'Economic Value' have been developed and responses / comments sought from stakeholders.

### The Engagement Exercise

An engagement exercise commenced on 26<sup>th</sup> September 2016 for a 12 week period and closed for responses on 18<sup>th</sup> December. An online survey was developed which asked a number of direct questions with multiple-choice answers and with the opportunity to add free-text comments to some answers.

In addition respondents were given the opportunity to describe in their own words any additional resources or support that their organisation may need in order to be able to maximise Social Value.

The online survey questions were as follows:

Q1	Name and contact details (not compulsory)	
Q2	What size is your business or organisation (number of employees)?	<ul style="list-style-type: none"><li>• Micro (0-9)</li><li>• Small (10-49)</li><li>• Medium (50-249)</li><li>• Large (250+)</li></ul>
Q3	Which of the following best describes the sector your business or organisation operates in?	<ul style="list-style-type: none"><li>• Private Sector</li><li>• Public Sector</li><li>• Parish or Town Council</li><li>• Voluntary / Third Sector</li><li>• Social Enterprise</li><li>• Other</li></ul>
Q4	Which of the following best describes the area of activity your organisation operates in?	<ul style="list-style-type: none"><li>• Health</li><li>• Social care</li><li>• Education</li><li>• Training &amp; employability</li><li>• Leisure, recreation and sports</li><li>• Transport</li><li>• Manufacturing</li><li>• Retail</li><li>• Construction and property</li><li>• Admin &amp; support</li><li>• Professional services</li><li>• Other</li></ul>
Q5	Which of the following stakeholder groups best describes you or your organisation?	<ul style="list-style-type: none"><li>• Provider / supplier with current or past local public sector contracts</li><li>• Provider / supplier with no local public sector</li></ul>

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		<p>contracts</p> <ul style="list-style-type: none"> <li>• Elected councillor</li> <li>• Commissioner</li> <li>• Member of the public</li> <li>• Service user</li> <li>• Public body</li> <li>• Member of staff of public body</li> </ul>
Q6	Are you, or do you commission, an organisation or service that is run by or for a particular group with protected characteristics?	<ul style="list-style-type: none"> <li>• Young people</li> <li>• Older people</li> <li>• Disability</li> <li>• Ethnicity</li> <li>• Gender</li> <li>• Pregnancy &amp; maternity</li> <li>• Religion &amp; belief</li> <li>• Sexual orientation</li> <li>• Transgender</li> <li>• None</li> </ul>
Q7	<p>To what extent do you agree with the following statements:</p> <ol style="list-style-type: none"> <li>A social value charter will help to improve social, economic &amp; environmental outcomes for Shropshire</li> <li>The award of a Social Value Charter Mark will encourage organisations to improve social, economic and environmental outcomes for Shropshire</li> <li>The charter principles as set out in the Social Value Charter are the correct ones for Shropshire</li> <li>(Organisations only) You would be, or would consider being, a Social Value Charter signatory</li> </ol>	<p>Strongly agree / Tend to agree / Neither agree nor disagree / Tend to disagree / Strongly disagree</p>
Proposed Social Value Measures – State to what extent you agree or disagree with the following proposed measures:		<p>Strongly agree / Tend to agree / Neither agree nor disagree / Tend to disagree / Strongly disagree</p>
Q8	<p>Supporting the local supply chain:</p> <ul style="list-style-type: none"> <li>• % supply chain spend with Shropshire-based businesses and organisations</li> </ul>	
Q9	<p>Supporting or creating the conditions for growth in the Shropshire economy:</p> <ul style="list-style-type: none"> <li>• Investment brought into Shropshire – financial value</li> <li>• Investment brought into Shropshire – as a % of any contract value</li> <li>• Contribution to initiatives which support local economic growth – narrative or case study</li> </ul>	
Q10	<p>Developing education, skills and training opportunities within the Shropshire economy:</p> <ul style="list-style-type: none"> <li>• Number of apprenticeships created</li> <li>• Number of training places offered</li> <li>• Number of work experience places offered</li> </ul>	

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	<ul style="list-style-type: none"> <li>• % staff offered training / CPD</li> <li>• Number of new qualifications achieved by staff / trainees</li> </ul>	
Q11	Employment opportunities for local people: <ul style="list-style-type: none"> <li>• Number of jobs created in total</li> <li>• Number of jobs created which are taken up by Shropshire residents</li> </ul>	
Q12	Good conditions of employment and fair wage rates and structures: <ul style="list-style-type: none"> <li>• % employees who rate employment conditions favourably</li> <li>• Sickness rates</li> <li>• Staff turnover</li> <li>• Other (please state)</li> </ul>	
Q13	If you think there are any other measures we should consider please describe them	Comments
Q14	Under which circumstances should we award a Social Value Charter Mark: <ul style="list-style-type: none"> <li>• Option 1 – Set a minimum number of measures to be achieved. With each signatory agree which measures and minimum performance targets for each measure</li> <li>• Option 2 - with each signatory agree how many measures and which measures but with fixed minimum performance targets for all signatories</li> <li>• Option 3 – with each signatory agree a combination of measures and performance targets proportionate to the organisation's size</li> </ul>	Option 1 / Option 2 / Option 3 / Comments
Q15	How many measures is it reasonable for us to specify as a minimum in order to be awarded a Social Value Charter Mark?	1 – 14
Q16	Are you responding as an organisation?	Yes / No
Q17	Please describe any resources or support you or your organisation may need in order to be able to maximise the Social Value you are able to create	Free text

The invitation to participate in the engagement exercise was sent directly to members of the Social Value Group, key stakeholders and representative groups and was also distributed to Shropshire Council Members and through the Council's internal communications system. Key stakeholders included:

- Shropshire Clinical Commissioning Group
- West Mercia Police & Crime Commissioner's Office
- Voluntary & Community Sector Assembly
- Association of Local Councils
- Business Board
- Shropshire Providers in Care
- Shropshire Providers Consortium
- COGS – Shropshire and Telford & Wrekin procurement group

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In addition, this has been raised at various regular meetings and fora including the VCSA Board, Health and Social Care Forum, Cogs business briefing. Organisations have been encouraged to respond to the online questionnaire.

### Responses Received

In total the Council has received 31 individual responses, although not every response answered every question. All responses were received online.

The largest number of responses was received from VCS organisations (8 responses) and public sector bodies (7 responses), followed by private sector organisations (4). 10 organisations describe themselves as a micro-organisation (up to 9 employees) and 9 organisations describe themselves as large (500+ employees).

Organisations who have responded cover a wide range of activities including social care (6), transport (3), health (2), leisure, recreation and sport (2). 9 responders described themselves as a current provider, 4 as members of staff of a public body and 2 commissioners.

With regard to the general principles of having a Social Value Charter and Charter Mark responses were broadly in favour of both, although there was a stronger consensus for just the Charter than for the implementation of a Charter Mark. Of those who answered the question 90% indicated that they would consider being a signatory to a Social Value Charter. Nearly all responders felt that the principles proposed in the Social Value Charter were the correct ones for Shropshire:

Answer Options	Strongly agree	Tend to agree	Neither agree or disagree	Tend to disagree	Strongly disagree
A Social Value Charter will help to improve social, economic and environmental outcomes for Shropshire	5	6	2	0	1
The award of a Social Value Charter Mark will encourage organisations to improve social, economic and environmental outcomes for Shropshire	3	4	5	1	1
The Charter Principles as set out in the Social Value Charter are the correct ones for Shropshire	5	7	2	0	0
(For organisations only) You would be, or would consider being, a Social Value Charter signatory	6	3	0	1	0

Further comments received in respect of the Charter and its principles included:

- “Whilst I support the principles of the charter and the concept of working together for the benefit of Shropshire people the resources to deliver are limited for all organisations.”
- “Having a social value charter with clear priorities will provide guidance and assist VSC groups in understanding 'good' local impact and assist us in knowing what to measure to in advance to support the county agenda.”
- “I fully support the principles of the charter, particularly the focus on purchasing within Shropshire and supporting the local economy in every way possible”
- “Anything which promotes Shropshire and encourages businesses and the public sector & voluntary sector to look for local solutions - whether for goods or services, and encourages volunteering and more community interaction is good. What I would not want to see is any arbitrary targets set as part of this initiative that would make it harder to do business within the county.”

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- “The initial focus around economic value is good but perhaps the scope could be widened to include all three areas from the outset, starting as it means to go on. This could avoid the potential for confusion in the future as to what it is all about.”
- “Charters are just window-dressing - no-one even thinks about them day-to-day. No good making policies voluntary, they need to be legally enforceable.”

And comments regarding the Charter Mark included:

- “I believe most organisations are striving for this anyway, but it can only help.”
- “I think the Mark itself will serve as a quick prompt / flag to make people think "oh that organisation's into social value stuff, I like that way of thinking, maybe I'll do something in my organisation along those lines". Having the Mark only comes after you've demonstrated you are doing things to improve social, economic, environ outcomes etc. There may be a risk that kind of activity may tail off once the Mark's been awarded and it's not 'fashionable' anymore.”
- “Personally I'm not a fan of charter marks, unless there is going to be effort made into ensuring that impact is actually being made, which can take up a lot of capacity. I think it would be better to connect local services better than can support organisations in understanding how to create real impact in the best way possible for each individual organisation, without creating a lot of extra work.”
- “Awards have little effect in encouraging social value policies to be adopted by organisations unless backed up with substantial financial benefit.”
- “Organisations will do and say all the right things to get the Mark but then do nothing with it.”

### Social Value Measures

With regard to the proposed measures of Social Value respondents were asked to state how strongly they agreed or disagreed with each measure. Responses were as follows:

Proposed Measure	Strongly agree	Tend to agree	Neither agree or disagree	Tend to disagree	Strongly disagree
% supply chain spend with Shropshire-based businesses and organisations	8	2	1	0	0
Investment brought into Shropshire - financial value	5	5	1	0	0
Investment brought into Shropshire - as a % of any contract value	3	5	2	1	0
Contribution to initiatives which support local economic growth - narrative or case study	4	4	2	0	1
Number of apprenticeships created	6	2	2	1	0
Number of training places offered	6	2	3	0	0
Number of work experience places offered	5	2	3	1	0
% of staff offered training or CPD	4	5	2	0	0
Number of new qualifications achieved by staff / trainees	4	3	3	1	0
Number of jobs created in total	6	4	0	0	0
Number of jobs created taken up by Shropshire residents	7	2	1	1	0
% employees who rate employment conditions favourably	7	3	1	1	0
Sickness rates	4	2	1	2	3
Staff turnover	5	2	3	2	0

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Other measures proposed by responders included staff progression, pay rises, opportunities for promotion, volunteering opportunities and people leaving to work in another county.

Comments regarding these measures related in the main to the staff turnover measure – one saying that a high turnover can be an indicator of the success of an organisation in training and developing its staff. However, others said that this figure on its own does not tell the full story and needs to be backed up by case studies. Other comments included that using sick days as a measure may have a detrimental effect on employees who are genuinely sick but are put under pressure due to a contractual requirement; and also that many small organisations in Shropshire are unable to offer work experience or apprenticeships.

With regard to how and in what combination we use the proposed measures to award the Charter Mark there was a mixed response. 7 people expressed a preference of which 3 selected Option 1 - set a minimum number of measures to be achieved; and then with each signatory agree which measures and minimum performance targets for each measure. 3 respondents also selected Option 3 - with each signatory agree a combination of measures and performance targets proportionate to the organisation's size.

In terms of the minimum number of measures we should be asking organisations to achieve in order to be awarded a Charter Mark, again this was very mixed with only 10 respondents stating a preference and answers fairly evenly distributed between 1 and 14.

Other comments on using the proposed measures to achieve the Charter Mark included:

- “The range of organisations who would wish to sign up for this charter is going to be so vast in size and also in the nature of what they do that I am unsure if it is possible to set a minimum level of requirement. That said, if it is possible to have a minimum level which would be fair and achievable for all then I agree that is a more equitable way to do things and would then support option 1.”
- “I feel that the size and scale of the organisation means that a tailor made approach will ensure that the organisation is going the extra mile and that each organisation is making the best impact possible to achieve this recognition. It's down to the quality of each measure - not how many measures there are?”
- “We are a small organisation working with a targeted group achieving a lot with limited resources. Our success in this area should be in relation to the resources we have.”
- “For this to work you need to be able to resource the checking..... and if this makes the Charter expensive you will penalise the smaller businesses”
- “In the voluntary sector we, as volunteers, cannot be guided by 'performance targets'. It simply cannot be. In the voluntary sector it happens when and if the volunteers decide to get involved. Value for money will always be an overriding issue for charities whether spend is local or not.”
- “Option 3 allows us to set - in consultation with people who are expert in their own fields - challenging and 'high enough' targets to be worthy of the Mark, and reward (with accreditation) that achievement even if it's only in one particular thing/measure. I'm in favour of recognising all efforts, certainly in the early days, every little helps, targets can be stretched or increased later in future years.”
- “I think it's important, however, for charter mark holders to continue to demonstrate they are 'worthy holders’”
- “It doesn't matter which approach you take - organisations are canny enough to make it look as if they qualify. It needs to be legally binding not a voluntary charter.”

### **Additional Support**

Finally, we asked what resources or support your organisation may need in order to be able to maximise Social Value. Responses included:

- “We need to be more connected and part of a bigger voice shouting out about Social Value. Shropshire is an area thriving with social businesses ... but we can’t help noticing that we get asked to go to other places around the country more to network, share best practice and learn more about Social Value and social enterprise than in Shropshire.”
- “Any process needed to achieve the Charter Mark needs to be accessible to all sizes of organisations and not overly bureaucratic.”
- “A list of businesses that are engaged with Social Value by way of offering substantial discounts for their goods and services to the voluntary and charity sector.”
- “The council should be leading the way. This will require strong direction from senior management as to the approach to be followed.”
- “An employee dedicated to fiddling the figures so that we look good enough to get the Mark – then reassign them”

### **Social Value Group Recommendations**

Based on responses received during this engagement exercise the Social Value Group makes the following recommendations:

1. That a Social Value Charter for Shropshire is adopted by members of the Social Value Group
2. That organisations operating in Shropshire are given the opportunity to sign up to the Social Value Charter
3. That the implementation of a Charter Mark is not adopted for the time being
4. That the economic measures set out in this exercise be adopted except for the measures around sickness rates and staff turnover. Additional economic measures may be proposed and adopted in future. Social and environmental measures will be developed through the Social Value Group.
5. That a ‘logo’ is developed and adopted for the Social Value Charter for Shropshire and is available to be used by signatories
6. That the launch of the Social Value Charter for Shropshire is widely publicised using appropriate media