

The Public Services (Social Value) Act 2012 certainly set the cat among the procurement pigeons when it was first introduced. In 2013 this magazine reported various service providers as excited about the new frontiers it could help define for the sector –but an acceptable way of measuring the value of work in this field was soon identified as a sticking point.

In the six years since, talk of the act’s potential has grown despite ways of measuring social value outcomes remaining elusive. Now, in light of events including 2018’s Carillion collapse, and in response to an emerging change in public attitudes, that the act – with its positioning of social value as the broader, overarching definition of sustainability – has moved into the spotlight.

Most agree that, as the Social Value Portal puts it, “the very strength of the Act in its lack of specificity has also been its greatest weakness”. But with local authorities increasingly conscious of fulfilling their new obligations, the clamour for an acceptable measurement structure has grown.

The prize here is a significant one. Sofie Hooper, the IWFM’s senior policy adviser, sees social value as driving FM procurement conversations away from price towards the contribution that a

business, or a business in partnership with its service providers, can make. “It helps challenge the stereotype that businesses are only out there to serve themselves and enables businesses to make a better connection with the public,” says Hooper.

The national Social Value Measurement TOMS (Themes, Outcomes, Measures) framework is a methodology gaining plenty of traction just now. Developed by the Social Value Portal with input from the Local Government Association, it has been designed “to help councils measure the value they are achieving through implementing the Social Value Act,” and is being adopted by public and private sector alike.

Last month, a working party comprising various FM industry stakeholders, among them several FM service providers, convened for the first time to begin work on an FM-specific ‘plug-in’ for this methodology.

The national TOMS framework out of which the FM-specific version will be honed comprises five key themes: jobs, growth, social, environment and innovation. Desired outcomes can be appended to each of these themes, and to those outcomes can be appended a series

of quantifiable measures. It is in this detail that work to customise the framework for FM is being centred.

Mike Worrall, head of work winning for Bouygues Energies & Services FM UK, explains: “All the themes from the National TOMS Framework are fundamental in delivering good FM services. However, by providing improved measurement and a greater focus on social value, we can ensure this best practice is consistent across the industry and help maintain these standards.”

The background

Consistency in measurement will aid consistency in service procurement. Sodexo is among the service providers supporting the development of social value within contracts and taking part in the TOMs discussions. Deborah Rowland, the firm’s director of public sector affairs, has experience on both sides of the public sector fence, having also served as head of FM for the Government Property Unit.

“Local government has a much better understanding than central government,” says Rowland. “There is a lack of understanding on how to measure social value and the weighting of importance within procurement.”

Sodexo, says Rowland, has been “pushing for social value to be an intrinsic part of evaluation for quite some time. And it’s certainly

helped that (minister for the Cabinet Office) David Lidington has picked this up in many of his speeches”.

Indeed, in the days prior to our going to press, Lidington used a written ministerial statement to reinforce the future role of social value in central government procurement. He said the government would be “extending the requirements of the Social Value Act in central government so that all major procurements will explicitly evaluate social value, where appropriate, rather than just consider it.”

‘Evaluate’ rather than ‘consider’ – a critical distinction that will change how commissioners and providers assess the social value component in service contracts.

Calculating: the route forward

So what should measurement of social value in service contracts look like? Simplicity, it seems, is key.

“The main thing is that measurement is kept as simple as possible,” says David Carr, CEO of Bouygues Energies & Services UK.

LARGER MEASURE

Agreeing the way in which organisations and service providers quantify the impact of their social value activities looks set to be one of the defining issues for FM in 2019. **Martin Read** asks FM providers how they expect the growing importance of social value measurement to affect the market



“If the information you have to put into the platform is difficult to compile that may detract from its value. But fundamentally, if you get the measurement right it will move behaviours in the right direction and create an environment for continuous improvement.”

Carr’s colleague Worrall, agrees. “A simple way of measuring and a common approach are crucial for ensuring this regime is successful across the industry. If it isn’t simple it will cost too much to implement and maintain, lose momentum and ultimately fade away. If there is no commonality of approach the measurements will lose their overall value and become a thing to mistrust rather than believe in.

“The hallmark of success will come from an agreed benchmark for expected social value delivered through our operations – a target of 20p in social value for every £1 of contract value may be the place to start – and it becoming a ‘business as usual’ topic in monthly meetings and performance reports.

Service providers have had various attempts in the past to develop measures. Charlotte Österman, social sustainability manager at Vinci Facilities, recalls what happened when Vinci tested different measurement models for its highly successful ‘Reading from the start’ literacy programme (see picture). One model generated “a gazillion’s-worth of social value” because the inputs – handing out free books to young children – were weighted so heavily. But, says Österman, “It just didn’t sit right with us.” The company then partnered with Social Value UK to measure and define its social value.

A key issue, says Österman, is to look at “the value that people place on the changes they’re experiencing”. Reporting on social value should be a transparent process with a heavy focus on engagement with stakeholders.

“Look at where you have your impact,” says Österman, “then frame financial proxies and relate them to a metric based on research. If you don’t go through stakeholder consultation you’re just putting numbers on a piece of paper and you can’t really use people’s feedback to improve how you’re doing as a business.”

The Social Value Portal’s Guy Battle recognises the subtle distinction between a desired outcome and a lasting impact. He sees the latter as something that will inevitably take a lot longer to become clear.

▼ Sodexo was among the first service providers to recognise the potential value of social value to FM



▲ Vinci Facilities’ ‘Reading from the Start’ campaign tackled illiteracy in partnership with its client Peabody housing association. The project won an IWFM Award

Nevertheless, in his view clarity of reporting on quantifiable measures, correctly aligned to desired outcomes, is the best way to guarantee those impacts in due course.

Certainly measures such as the number of employees hired through a local economic regeneration scheme will be fairly easy to quantify. But what about these indirect measurements? The boosted confidence of people who’ve been through work programmes? The improved mental well-being of those using a community garden? Who should decide what these indirect measurements should be?

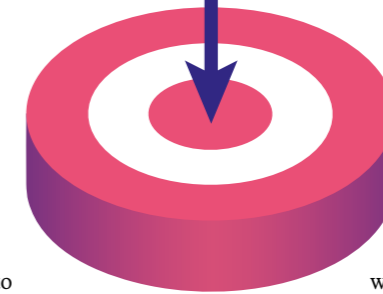
“This requires feedback from beneficiaries and is harder to measure practically,” says Jamie Quinn, corporate responsibility and environment director at Engie. “But there are methods. Engie has developed a model using the TOMs framework alongside HACT’s (Housing Associations’ Charitable Trust) Social Value Bank, which measures improvements to individual well-being.”

For Quinn, “delivering social value means responding to needs, and needs of course differ in different places and for different clients so should be led by research and engagement. The most consistent metrics across regions

measure outputs generally relating to employment and employment support (jobs themselves, apprenticeships, work experience); but focusing on these could miss more efficient, lower-cost or more innovative ways of delivering value and in relation to other areas like health, well-being, supporting business growth and environment”.

Nevertheless, to evaluate different providers a consistent methodology for measuring outputs that also identifies financial proxies is key. But Quinn says clients should consider procuring for outcomes.

“This means asking service providers to identify how they will address an outcome – for example, low employment rates – rather than to deliver a number of outputs [for example, number of jobs – the kind of measure associated to a TOMs framework outcome].”



Quinn suggests that clients should focus their questioning on these desired outcomes to get a sense of a prospective provider’s broader vision. Accepting that that the idea is “bold”, he nevertheless says “it should give more flexibility, encouraging innovation and partnerships. And importantly, it enables us as a provider to look at root causes. This may require more training on the client side to assess tender responses, but it also encourages more of a partnership approach to social value.”

The challenges ahead

Reaching an industry consensus on measurement criteria will be a tough nut to crack, believes Mike Worrall.

“Saying it and achieving it are entirely different things. The industry needs to come together to reach an agreement on its understanding of social value and how to measure it.

Nevertheless, continues Worrall, “adoption of a single framework covering both of these will be vital; it will avoid confusion and deliver the ability to measure apples and apples, stimulating competition.”

As much as there is a need for measurement metrics, there is also a need to tell the good news stories about the social value already being delivered by FM.

“The FM industry understands the benefits of local employment,” says Worrall. “It understands supporting SMEs, benefiting the communities we work in, the environmental

impact of our operations and the importance of innovation.”

What social value measurement does is bring these themes together in one place – “and crucially puts a pound note value against the outcomes”, he adds.

So measuring social value in a structured way will be essential. But for David Carr, the IWFM’s reigning Leader of the Year, the job is also to promote existing good social value practice in FM.

“If you’re delivering good FM service, you’re generally delivering high levels of social value already,” he explains.

“A lot of what social value seeks to prescribe is fundamentally what the FM industry has been doing for years,” says Carr, citing outreach to those on the margins of employment, or the offering of work to former offenders or members of the armed forces.

“Also, look at the commitment from the industry to apprentices and training, for example. These things are fundamental – and they’re already there.”

Instinctively, says Carr, the right quality and diversity of people comes together if an FM team is to become successful. Likewise, a sustainable supply chain will often necessitate the use of smaller local firms, often nurtured and developed by the lead partner in a service contract.

Ultimately, says Deborah Rowland, social value has “huge potential” to “really articulate the added value that FM can bring to communities as a whole, particularly within public sector services.” Interesting times lie ahead. 📌

THE TOMS METHODOLOGY

THEME	OUTCOME	MEASURES	UNITS	VALUE	TOMS
Growth and jobs	More local people in local work	Number of young offenders employed	Number of people	£58,611/per	Values are sourced from UK Govt. data base of unit benefits and official statistics, and calculated following the Green Book guidance
Promote local business	More opportunities for local SMEs and VCEs	Number of hours volunteered	Number of hours	£14.80/hr	
Healthy communities	A more resilient third sector	Spend in local supply chain	£ spent	Local multiplier	
Greener and cleaner	Vulnerable people better supported	Reduced CO2e	tCO2e	£67.01/tCO2e	
	Crime is reduced				
	Reduce carbon emissions				

The above illustration demonstrates the Themes, Outcomes and Measures (TOMs) methodology with example measures. The number of measures per outcome can be considerable, and over the coming months the facilities management stakeholder working group will be engaged in determining the outcomes and measures specific to the sector that will result later this year in the launch of an FM-specific ‘plug-in’ to the main TOMs framework.