

# West Midlands Fire Service Social Value – Measuring and Leveraging Social Value



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John is a PhD doctoral researcher at Birmingham City University Business School and senior research analyst at the CCEG where his area of expertise is researching the delivery of social value through the procurement process driven by legislation and how this can be a differentiator in times of ongoing austerity measures and cuts.

## **Ben Brook, West Midlands Fire Service**

Ben has lead responsibility to the Chief Fire Officer for maintaining the Services' Integrated Risk Management Plan. He has experience of managing and leading change, contemporary approaches to risk management via Emergency Response, Prevention and Protection.



## **Dr Amanda Langley, CCEG**

Dr Amanda Langley is an experienced academic whose research has focused on strategy and strategic change. She is currently involved with a range of projects for CCEG and Seratio.

As the policy of austerity and cost cutting throughout the public sector continues there is a greater than ever need for alternative forms of leveraging funding to make up the shortfall. At present up to circa 10% of WMFS time is spent attending emergencies, with 40% spent on preventative services through community engagement and education. With regard to WMFS' budget reductions versus an increase in the number of people to engage with, the social value agenda applied through the procurement process presents opportunity to manage community risk via procurement frameworks aligned to social value.

In 2015 WMFS, led by Phil Loach the Chief fire officer of WMFS, engaged with CCEG/Seratio to be their providers of Social Value Analysis, to demonstrate and measure their social value, both internally within the organisation and externally through the tendering process. Measuring the projected Social Earnings Ratio (SER) of WMFS in 2018 will lead to a powerful argument for the need to implement a 20% social value contribution from tenders over the next five years to go some way to filling the funding gap. On a procurement budget of circa £10 million £2 million of social value could be leveraged.

SER is the fastest growing social value measurement metric currently being adopted in the field of social value measurement. It was developed by the CCEG and highlighted in Lord Young's Social Value Act report in February 2015, as a quick, low cost, high volume way to assess social impact providing a single metric.

The WMFS case study pilot was broken down into three phases; measure the social value of WMFS, measure the impact of social value leveraged through a pilot tender and develop a GIS map.



## Measuring the current social value of WMFS

Initially the data available did not give a true representation of WMFS' social value measurement. Reports and publications although giving an excellent overview of community projects and safety education undertaken by WMFS, lacked detailed figures to truly show the power of their impact

It transpired, however, that there was data in all areas of community engagement and carbon reduction policies along with financial costings. In order to dig down and get all this data in one place, measuring the social value of WMFS was conducted through semi-structured interviews collecting data on the social value created. The objective was to elicit the number of projects and the number of people engaged/impacted upon, environmental impact and financial data. This data was then quantified using the Social Earnings Ratio (SER) model and documented in an accompanying report presented to WMFS in May 2015. This gave a truer representation of WMFS' social value measurement and impact.



social value procurement criteria to add social, economic and environmental impact. In order to do this the WMFS had to be clear in their requirements from tender bids in relation to social value delivery.

The challenge for WMFS was to put into the ITT a social value requirement to deliver circa 20% of the financial value of the contract as social value in the form of social, economic and environmental added value. WMFS had to establish that this can be a differentiator exploring a blended solution between

## Measuring the impact of social value leveraged through a pilot 'Leading Excellence' tender

Since the advent of the Social Value Act 2012 more and more local authorities and public sector bodies are requiring tenders to give additional economic, social and environmental value in the range of 10% to 20% of the tender value.

Local authorities and public sector bodies will have a section in the Invitation To Tender (ITT) document that will specifically state what social value element is required. WMFS spends circa £10 million per annum on the procurement of supplies, works and services providing companies of all sizes with a wide range of business opportunities.

WMFS are in an advantageous position, with Seratio's guidance, to deliver 10% - 20% of added value by harnessing the principles of the Social Value Act along with WMFS' own

the public, private and third sectors.

It was very important that bidders show the amount of people they will engage and the financial cost equivalent to clearly show up to 20% of the financial value of the overall contract. In the initial offerings this was not clear and further questions were elicited in order to accurately measure the social value offerings of the bidders. The second phase of the pilot was therefore to measure and assess the social value offering of bidders in relation to a Learning and Development Tender and over the length of the contract observe, interview and record progress of the tender from the perspective of compliance.

The social value scoring led to the successful bidder offering six training places per year free of charge in addition to aligning charity funding to a third sector partner of WMFS. This will be monitored month by month over the duration of the contract to ensure compliance.



### Developing GIS Mapping for WMFS' Organisation, Supplier, Third sector and Community engagement

The GIS mapping element of the pilot is a ground-breaking data sharing agreement and ongoing collaboration with Ben Brook, Group Manager at WMFS with responsibility for mapping data to create a GIS Map for WMFS, synthesising WMFS' own mapping of vulnerable target groups with organisation data to allow:

- collaborative mapping,
- hotspots and KPIs,
- all on one Google Map allowing for participatory planning,
- solutions using urban acupuncture techniques,
- Hyper locality and social impact within regional geographical space.

The rationale behind developing the GIS mapping is that it can be used not only by WMFS themselves to improve awareness of social impact and social value delivery but by private sector bidders, the local third sector NGO partners, to maximise their social value intervention into the community by accessing the map which contains social value measurement.

### Integrating social impact theory with WMFS high impact data and hyperlocality mapping

Social impact theory highlighted that the amount of influence, power, or intensity is often determined through demographic such as age, social class and whether or not a previous relationship had existed, or anticipation of a future relationship existing. The number of people is the number of sources exerting social influence on the target. Thus there is

more social impact when higher status individuals are the source (i.e. WMFS), when the action is more immediate, and when there are a greater number of sources

When the three elements of strength (status, power and ability), immediacy (equal to the inverse of the distance between the source and the target) or the number of source persons increase (i.e. WMFS or their third sector partners) then impact on the target person/group should also increase.

A potential example to see the juxtaposition between theory and practice would be WMFS targeting vulnerable elderly residents living alone for fire safety checks and education. WMFS could look at the census data from the seven local authority areas they serve and look at which boroughs have the highest concentration of people over 65 living alone. WMFS could then target the delivery from the nearest fire station in each of the seven council areas to the highlighted boroughs, using hyper-locality to deliver as close to the source point of the target group with the most staff and most intensity.

This could (potentially) lead to an outcome of social impact, strengthening social connections, building strong, safe, cohesive communities, enhancing civic engagement and delivering public services in the areas that WMFS serve.

### Conclusion

Moving forward from the social value pilot CCEG/Seratio will continue to support WMFS by building-in social value requirements into the procurement process allowing WMFS to potentially gain 10-20% additional social value from procurement contracts to support community goals - equivalent to £1m -£2m per annum based on planned Capital expenditure and Supplies & Service (2017-18) and use procurement strategy to contribute to the funding gap for non-statutory firefighting work. CCEG/Seratio will independently verify that WMFS strives to deliver the optimum in social value for every £1 spent. CCEG/Seratio will provide sophisticated management dashboard tools to focus and deliver value whilst exploiting national and international commercial opportunities and establish WMFS as the leading fire service within the sector in funding and social innovation

WMFS can act as a leading model for other public sector bodies, both in the UK and throughout the world, to uptake and embrace awareness of the social earnings ratio metric. This will increase awareness and delivery of social value, both internally and in the procurement process, as public sector procurement will be a primary focus of many developed countries given budget deficits.