



# an uneasy consensus: patients, citizens and the NHS

June 2012 Paper 5

*Paper 5*

## Building social value in the NHS

### Key points

- Organisations can help create social value when they engage with and involve their local communities.
- For the NHS, it is about developing the idea that NHS organisations exist within communities rather than apart from them.
- The NHS reforms provide opportunities to increase social value through enhancing the opportunities of providers and commissioners in the new system.
- Social value is now enshrined in legislation through the Public Services (Social Value) Act 2012.

Social value describes the social benefits achieved from public services, and considers more than just the financial transaction. It includes wellbeing, health, inclusion and employment<sup>1</sup>. This paper develops what we understand by social value and what it means for the NHS.

Adopting an approach based on generating social value requires us to change the traditional mindset of the NHS from one which sees communities and people as having needs, to one which understands and empowers them as having assets. It also requires us to see that investing in health, like in education, is an investment rather than a cost, to the country and its inhabitants.

Healthcare organisations can help create social value when they engage with and involve their local communities, rather than focusing on protecting their own organisational interests. Those that run with a more social value focus engage people in running services and connect them with services provided within the resources available. This paper explores what social value means for NHS organisations and asks if the NHS itself should operate more deliberately as a third, or social, sector organisation.

Intended to stimulate discussion ahead of and during the **2012 NHS Confederation annual conference and exhibition**, this paper is the last in our series looking at interactions between the NHS, individuals and communities. The first four papers explored: changing relationships in the NHS; putting people first through shared decision-making; information that benefits all; and micro-enterprises.

## Social value – the theory

Social value means recognising that social outcomes, such as stronger communities and improved health and healthier environments, have a value to society as a whole. In the past, policy-makers have tended to claim policy success based on outcomes achieved rather than those intended. But without a clear view of what outcomes are being aimed for, and how much we value them, there can be no consistent way of knowing how to apportion funds<sup>2</sup>. The NHS, with all its economic muscle and social standing, must aim to create more social value in the communities in which it sits.

In these austere times, those on all sides of the political spectrum are understandably focused on public services providing value for money, leading to a growing interest in concepts such as ‘social value’, ‘public value’ or ‘value added’. By defining this additional need to generate social value, the NHS is forced to think wider and deeper about the opportunities for wider value creation, beyond simply healthcare delivery, that are available to us as the largest organisation in the country today. In short, we are having to think differently about ourselves and what we can offer.

## The philosophy of social value creation through the NHS

For the NHS, social value means developing the idea that NHS organisations exist within communities rather than apart from them. Healthcare organisations need to be well embedded in their communities;

they are often one of the largest employers in an area, most of their employees live in the communities they serve, and they frequently do business with local suppliers. All this puts them in a strong position to engage with their communities, but, in reality, many regard themselves simply as suppliers of health services at a time of need rather than being strong community partners.

But aiming to create a more social value orientated NHS is not without its challenges or conflicts with existing policies and aspirations. The first paper published in this series, *Personal experiences, public value: changing relationships in the NHS*<sup>3</sup>, explores how people’s relationships with the NHS have changed over the years, with increasing public expectation but attachment to the idea of the NHS as a public service. Other papers in the series ask questions about community empowerment and the NHS, moving beyond ‘voice’ to a more dynamic view of citizen and patient engagement.

### Community empowerment

Behavioural psychologists tell us the optimal size for human group behaviour is very small compared to the size of most NHS organisations. So how might this be overcome if the NHS is to engage effectively? Is there a risk that establishing shared ‘mutual’ models may create the kind of overly bureaucratic structures the aim of engaging communities is designed to remove? In future, if social value creation is designed to place a greater emphasis on stimulating more local suppliers, away from large monolithic monopoly providers, will this conflict with a desire for better

integrated services?<sup>4</sup> Our paper, *Working locally: micro-enterprises and building community assets*,<sup>5</sup> looks at how small community organisations can develop very personalised and cost-effective services. The gains of personalisation through micro-enterprise are not only realised at individual level but support individuals to form groups and draw on community contributions.

### Moving beyond ‘voice’

‘Voice’ means getting involved and trying to change and improve services for yourself and your family<sup>6</sup>. Commentators on social value ask how user innovation can be encouraged in health services and what increased ‘voice’ might mean for NHS policy, practice and priorities. Creating more engaged, more assertive, socially active communities may change the dynamics between the NHS and the citizens and patients it serves. This may be welcome but might also be uncomfortable for the vested power bases within the service.

### Changing patient and professional behaviours

It is clear that embedding shared decision-making, collective involvement and generating more social value out of NHS services means significant changes to the patient-clinician relationship and the way care is organised. It draws attention to the required skills, capabilities and expertise of clinicians and commissioners to effectively engage with these ways of working. Behaviour change is required from both professionals and individuals within communities to shift towards more patient and public-centred health services and therefore improved health and wellbeing.

## How can the NHS generate social value?

NHS organisations that become well embedded within their communities have the opportunity to capitalise on the social value and public assets that already exist. Below are some suggestions:

- allow employees to train and develop their engagement skills
- provide time and space for all relevant community groups (that use services) and sectors to come together
- provide civic leadership so that community groups can work together to include all sections of the community
- source food and other supplies from local suppliers. Manchester Mental Health and Social Care NHS Trust works with Manchester Mind to produce Bite Veg Bags – see the case study below
- ensure the organisation adheres to corporate social responsibility principles, for example through responsible investments
- take responsibility for environmental sustainability, for example through car share and cycle to work schemes, and energy efficient building designs and solutions
- involve and make use of local volunteers such as first responder schemes in ambulance trusts
- make good use of foundation trust members and fully engage them in acute and community, ambulance and mental health services.

## Case study: Altogether Better

Imagine two identical health programmes serving deprived areas. Both are hitting their outcome targets, but one is doing a whole lot more. Somehow, its service users are not just in better health, they are also happier and more confident. Some who were unemployed have found jobs, in some cases taking whole families off benefits, and these families are eating better and taking more exercise. Their children's attendance at school is better and their results are improving.

It is obvious which approach is more satisfying for healthcare professionals and more attractive to cash-strapped funders; Altogether Better's community health champion approach is delivering this social value across Yorkshire and Humber. Its volunteer health champions work alongside the health and social care system to improve health and wellbeing and transform the lives of people experiencing the poorest health. Altogether Better supports people to take responsibility and act for themselves to improve theirs and their friends' and families' health and wellbeing.

The NHS Confederation is working with Altogether Better to support development of its work. For more information, visit [www.altogetherbetter.org.uk/home.aspx](http://www.altogetherbetter.org.uk/home.aspx)

## Case study: Bite Veg Bags

Bite is a partnership between Manchester Mental Health and Social Care NHS Trust and Manchester Mind that supports people with mental health needs to participate in growing, cooking and marketing local food.

With mentoring support from Hackney's Growing Communities project, Bite established a vegetable bag collection scheme. Organic vegetables are bought from New Smithfield Wholesale Market in Manchester and service users pack them at North Manchester General Hospital, supported by staff and volunteers from the trust and Manchester Mind. Local people choose the size of bag they'd like and collect it from one of several locations around Manchester.

[www.harp-project.org/projects/project\\_bite\\_about.php](http://www.harp-project.org/projects/project_bite_about.php)

## North West Social Value Foundation

North West Social Value Foundation, of which the NHS Confederation's Mike Farrar was a founding member, launched in 2010 to:

- promote social value
- support organisations that wish to learn more and implement it
- celebrate good practice across the north west
- facilitate change by encouraging funding for joint ventures between community groups and the NHS.

Its board is made up of local NHS, civic and charity leaders, but the foundation is separate from actual NHS and local government hierarchies.

Through grants, loans and 'help in kind', the foundation provides resources to encourage, support and sustain social innovation and local social value initiatives. Its accreditation award programme recognises excellence and progress on adding social value locally.

The foundation also provides an audit service to highlight social value 'readiness' and raise awareness among staff of their roles on social value, and a knowledge management service to provide specific intelligence across the geography of the NHS in the north west. Its partnership exchange forum engages charity, voluntary and other potential partners to enhance existing relationships and foster other possible collaborative arrangements.

### A social sector?

In the north west, engagement in this agenda was built around

Professor Henry Mintzberg's<sup>8</sup> theory that most health and social care would be better delivered by third sector organisations or organisations that adopt a third sector ethos which fall somewhere between what we usually consider to be the public and private sectors. Figure 1 on page 5 presents a model in which you can discuss the different sectors. For example, the introduction of foundation trust membership and emerging new approaches to commissioning that involve commissioning of services from both private and third sector suppliers mean, he believes, that the NHS is itself rapidly evolving into a third, or social, sector organisation. The important difference, he argues, is that the public and private sectors seek to serve constituencies – through citizens and voters, and consumers and investors respectively – while the third sector seeks to engage with the communities it serves.

### Aspirations

From this work, the Social Value Foundation concluded that large organisations like the NHS could aspire to add social value in three ways:

- delivering social value as a by-product of mainstream business, for example buying goods and services locally
- creating social value through creating an organisational culture that highlights the importance and benefits for the community of adding social value
- realising social value that's already there in community resources, for example local professional sports teams helping to get healthy living messages across.

### Difficulties

Big organisations like the NHS tend to find it difficult to add social value because:

- they are too large, and insufficiently flexible to remain in touch with their communities and their issues and groups
- they are subject to centralised directives and non-negotiable priorities that make it difficult to prioritise social value issues
- they tend towards a risk averse culture with a reluctance to trying new and novel ways of working.

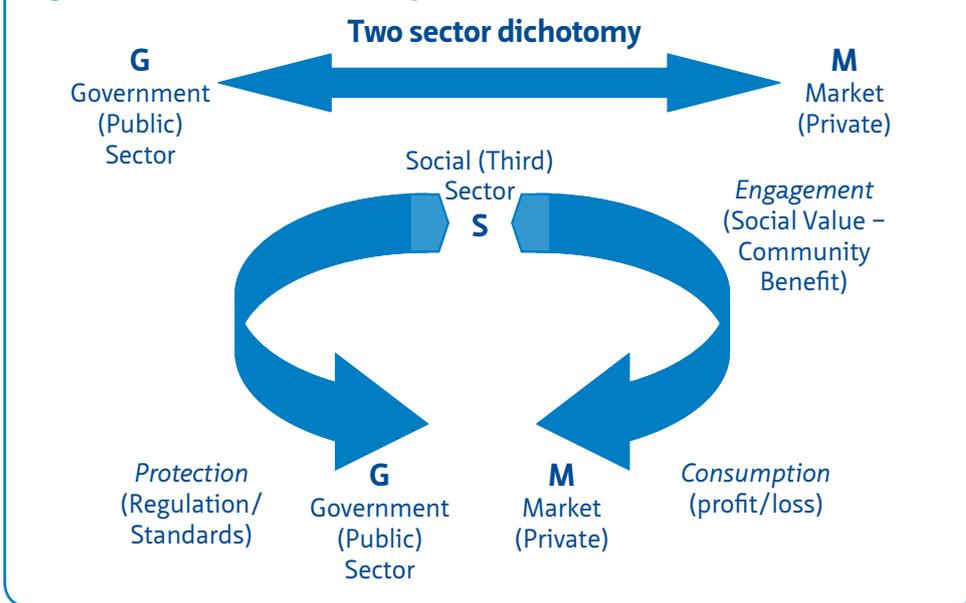
Only by forging a range of diverse partnerships with other organisations can most NHS bodies maximise their social value contribution.

### Social value and sustainability

Social value and sustainability are inextricably linked and a March 2012 King's Fund paper, *Sustainable health and social care: Connecting environmental and financial performance*<sup>7</sup>, sets out a range of research findings in this area.

Prevention, it says, must be at the core of sustainable health and social care. The paper is clear that public expectations can play a significant role in driving highly resource-intensive and potentially unsustainable practices, making it vital that sustainable care is not equated with sub-standard care in the public mind. And public support will be important in the context of increased patient choice, the growth of any qualified provider, and movement towards personalisation. It is key, therefore, to engage patients in building

**Figure 1: The third sector option**



support for more sustainable approaches to care.

The King’s Fund points to evidence that communities with higher levels of social cohesion and stronger social capital may be more able to withstand the effects of natural disasters and extreme weather. The role of organisations with respect to the sustainability of communities is also worth considering. The paper asks if there is a role for professionals in building community-level resilience to the health effects of environmental change. Does the NHS have a role in ensuring that vulnerable groups are protected from the combined effects of climate change and rising prices for fuel, food and water?

### The political environment and NHS reforms

While many concerns have been expressed<sup>4</sup> about the Government’s Big Society policy, including its accountability, the aim of opening up public services

to new providers, increasing social action and devolving power to local communities sits at the heart of the Government’s agenda. Community ownership has the potential to develop while the social enterprise movement, if supported and incubated properly, could gather pace.

Social value is now enshrined in legislation through the Public Services (Social Value) Act (see box on page 6).

#### NHS reforms

Putting patients and local decision-making at the centre of the NHS is key to the Government’s current NHS reform programme. The new bodies set up through the Health and Social Care Act 2012 can take on this new mindset to help increase social value to improve health and wellbeing.

Dr Amit Bhargava, clinical accountable officer, Crawley clinical commissioning group (CCG) and national co-lead, NHS Alliance

Clinical Commissioning Federation, shared with us his CCG’s plans for strengthening social value within their work. “The core business of health and social care is to improve social value through technical excellence, not only because it is what our patients came to us for, but also it is a way to reduce overall system risk by reducing dependence and promoting independence,” he said. “This is the discussion that we have started in Crawley CCG and, with our partners, we are in the beginning of work on social value and diabetes, and creating a dementia friendly town with local government and the NHS. The intention is to create supportive networks, supportive communities and supportive environments for our patients, their carers and providers of care. This is the beginning of our long and worthwhile journey in creating value for our patients that has social purpose.”

The creation of health and wellbeing boards (HWBs) will be able to make social value part of the fabric of improving health and wellbeing within their localities across local authority, NHS, voluntary and private sector services. New opportunities are provided by strengthening community engagement and involvement through Healthwatch, and prioritising interventions through joint health and wellbeing strategies. Many shadow health and wellbeing boards, including Hackney, are already considering how they can improve the social value of their work.

Foundation trusts will have the added opportunity and freedom to engage with their local communities by increasingly

encouraging local membership and having representative governors. But this is by no means yet the norm and trusts can do much more to exploit the community's potential and harness their assets. This may lead directly to more local health benefits but also to greater community regeneration and wealth over time.

Salford Royal Foundation NHS Trust is working with the North West Social Value Foundation to develop solutions to address how to enable people to care for themselves to reduce demand

and dependence on health and social care and reduce social isolation. The programme process involves the trust working with local social enterprises and social entrepreneurs.

It is also true that in those organisations such as aspirant community foundation trusts and the emergent community-based social enterprises, we have organisations naturally given to understand and operate with and within their communities. There is potential here for pioneering approaches to social value creation.

## Conclusion

Every year, the NHS benefits from a massive amount of tax payer money and, as a nation, we are proud of our NHS and its core values, now enshrined in the NHS Constitution. This places a moral and economic obligation on us to create value. We have traditionally defined health outcomes as the main value of the NHS, but must now focus additionally on creating social value in the communities in which we sit.

Added social value, created deliberately by the NHS, has the potential to enhance the wealth and wellbeing of our communities and the people within them. This creates a virtuous cycle of added health benefit and wealth creation, and the opportunity to enhance further the social value we create. Up to now, the NHS has underestimated its role in this regard but now we have the opportunity and the obligation to lead; an opportunity that must not be missed.

If you have any queries or comments on this paper, contact [nicola.rosenberg@nhsconfed.org](mailto:nicola.rosenberg@nhsconfed.org)

## What is the NHS Confederation doing on social value creation?

We plan to establish a national social value forum with the explicit objectives of:

- advocating and promoting the role of the NHS in social value creation
- promoting best practice among members

### What does this mean for your organisation?

- Can you see the benefits of increasing social value?
- What are the drawbacks?
- What is your organisation doing to increase social value?
- Would you like to participate in the social value forum?
- Do you have a proposal for consideration for a social impact bond?

### Public Services (Social Value) Act 2012

Social value is enshrined in legislation through the Public Services (Social Value) Act 2012. The Act aims to strengthen the social enterprise business sector and make the concept of social value more relevant and important in the placement and provision of public services. It:

- places a duty on the Secretary of State to publish a 'national social enterprise strategy' to encourage engagement in social enterprise
- requires public services procurement, including the NHS, to consider how what is proposed to be procured might improve the economic, social and environmental wellbeing of the area to be covered by the contract.
- amends Section 4 of the Local Government Act 2000 so that local authorities are required to include in their sustainable community strategy proposals for promoting engagement with social enterprise in their area. They must also include a statement of the measures suggested to enable social enterprise to participate in implementing these proposals.

- convening like-minded organisations and partnerships between and within the NHS to take forward the agenda
- highlighting and accrediting achievements
- matching socially-minded organisations with potential new funding sources
- providing a service to convert good local ideas into investable ready propositions such as social impact bonds (see the box) and socially motivated investment.

Any one of our existing members can participate in this forum including attending events or receiving/debating papers online. For further information, please email [socialvalue@nhsconfed.org](mailto:socialvalue@nhsconfed.org).

### Social impact bonds

A social impact bond<sup>9</sup> is a contract with the public sector whereby it commits to paying for improved social outcomes. Investment is raised from socially-motivated investors who receive payments from the Government if social outcomes improve.

A social impact bond programme at HMP Peterborough was launched in September 2010 with the aim of reducing short-term prisoner reoffending. Sixty per cent of Peterborough's short-sentence prisoners reoffend within a year of their release, many into the local area, but they receive little statutory support to address the causes. The social impact bond programme is available to all short-sentence male prisoners leaving HMP Peterborough. It is not compulsory, but participation is high and results are measured on all those released, whether or not they've taken part. Prisoners were involved in developing the model for the programme to ensure it meets their needs.

The Ministry of Justice commissioned an evaluation<sup>10</sup> as a first step towards developing a more robust evidence base for this potential new funding mechanism. The evaluation was published in May 2011.

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3. NHS Confederation An uneasy consensus series. *Personal experiences, public value: changing relationships in the NHS*
4. King's Fund. *Big Society, political philosophy and implications for health policy*
5. NHS Confederation An uneasy consensus series. *Working locally: microenterprises and building community assets*
6. NHS Confederation An uneasy consensus series. *Alive and clicking: information that benefits all*
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8. Henry Mintzberg [www.mintzberg.org](http://www.mintzberg.org)
9. Social Finance. *Peterborough Social Impact Bond overview*
10. Ministry of Justice Social Impact Bond evaluation  
[www.justice.gov.uk/publications/research-and-analysis/moj/2011/social-impact-hmp-peterborough](http://www.justice.gov.uk/publications/research-and-analysis/moj/2011/social-impact-hmp-peterborough)

### Useful web links

Altogether Better [www.altogetherbetter.org.uk/home.aspx](http://www.altogetherbetter.org.uk/home.aspx)

Bite [www.harp-project.org/projects/project\\_bite\\_about.php](http://www.harp-project.org/projects/project_bite_about.php)

North West Social Value Foundation [www.nwsocialvaluefoundation.org](http://www.nwsocialvaluefoundation.org)

Turning Point Connected Care model

[www.turning-point.co.uk/community-commissioning/connected-care.aspx](http://www.turning-point.co.uk/community-commissioning/connected-care.aspx)

Ambulance Service Network An involving service: ambulance response in urban and rural areas  
[www.nhsconfed.org/Publications/briefings/Pages/An-involving-service.aspx](http://www.nhsconfed.org/Publications/briefings/Pages/An-involving-service.aspx)

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