



## CREATING PUBLIC VALUE AND SOCIAL VALUE

### Lessons from Italy - developing new approaches to health and social care that draw on the resources of citizens

Much of the focus of health services decision making is on the value derived in investment in professional services. Using the principle that "healthcare is what people do for themselves" a different approach to value emerges in basing two concepts public value and social value

Public value is a concept developed by Mark Moore at Harvard to describe the value that people place in institutions and services

1. "Public value can be thought of in two main ways:
  - First, what the public values
  - Second, what adds value to the public sphere

These two aspects are often in tension and sometimes in conflict of each other, but it is necessary to link both dimensions if the theory is to be robust."

**Source:** [Bennington, J., Moore, M.H. \(2011\) Public Value Theory & Practice. Palgrave Macmillan. \(p.42\).](#)

The regard that many people have for the NHS is an example, and in Oxford there is currently a debate about the future of obstetrics services, relating paediatric services at the Horton hospital where there is a strong focus of affection and value felt by the people of Banbury for the services in that hospital, despite of the evidence about the problems of providing safe cover and the cost of providing safe cover.

The concept of social value is expressed in the United Kingdom through the Social Value Act and the key text of the Social Value Act is reproduced below

*The Public Services (Social Value) Act 2012 (from here on referred to as the Social Value Act or the Act) became law on 8 March 2012 and came into force on 31 January 2013. The Act states, in reference to procurement of service contracts over a certain threshold, within public bodies in England and Wales, that:*

*"The authority must consider -*

- a) how what is being proposed to be procured might improve the economic, social and environmental wellbeing of the relevant area, and*
- b) how, in conducting the process of procurement, it might act with a view to securing that improvement"*

In this use of the concept of value decisions are made not only by the direct return that would be obtained from investing resources in professional health services in the terms of outcomes of the patients treated, but also the opportunity cost expressed in terms of the health benefits that could be obtained if those resources were invested, by creating and sustaining jobs or in providing services through less highly paid and trained professionals. Even if the service was marginally less effective a full cost benefit analysis of the return of investment using the terms of social value would take into account the benefit derived by those workers or volunteers who were employed in the project.

In part because of the greater financial pressures of Italy, the region of Tuscany has played a leading part in developing new approaches to health and social care that draw on the resources of citizens.