

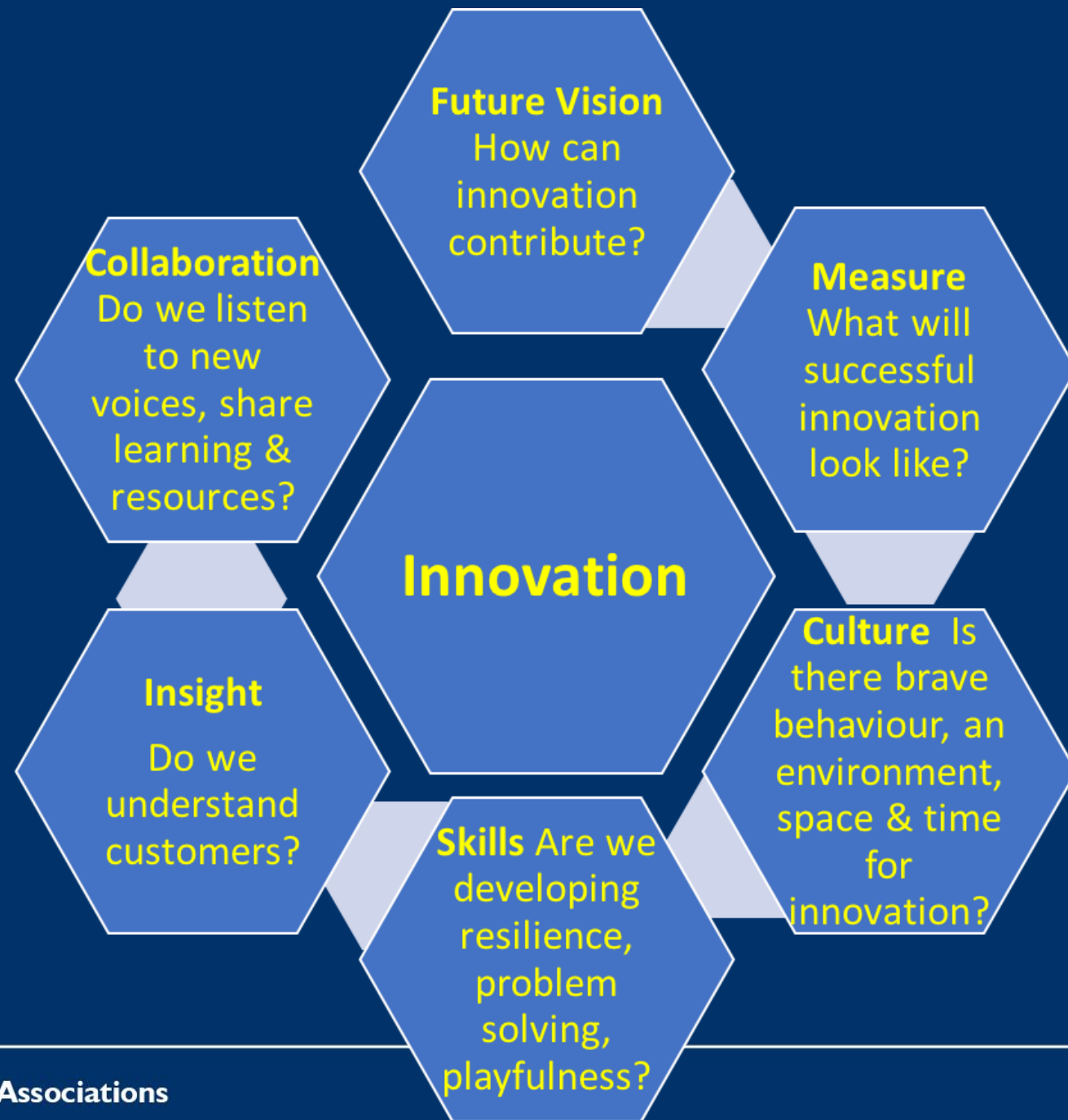
Social Value

What you need to know

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#housinginnovationscotland





Home of the Future



Digital Asset
Management

Inclusive Design

Green Infrastructure

Modern Methods of
Construction

Service Transformation



Online Innovation Hub
for Members

Service Design Toolkit

Developing the Future
Talent Pipeline

Poverty Impact



**Measuring Social &
Economic Impact**



THE HOUSING IMPACT MANIFESTO

Introducing a manifesto
by SFHA, our members
and partners...

A pledge for Social housing
providers in Scotland to
measure, understand,
develop and inform on their
impacts as a sector make.
To make a difference and
deliver our social purpose
across Scotland together.



Measure



Understand



Develop



Inform

**Innovation &
Future Thinking**



www.sfha.co.uk/housinginnovation

sfha
Scottish Federation of
Housing Associations

We are housing Scotland

What do you want to get out of this session?



What do you think of
when you hear the term
'social value'?



Background to Social Value why we should measure it.

What is social value?

Social value is the quantification of the relative importance that people place on the changes they experience in their lives. Some, but not all of this value is captured in market prices. It is important to consider and measure this social value from the perspective of those affected by an organisation's work.

Procurement Reform Act (Scotland) 2014 requires all new contracts over £4million to deliver community benefits.

Key points

Social Value co designed with clients

Individual schemes should be plugged into wider strategy for social change

Contracting authorities should consider increasing weighting for social value.

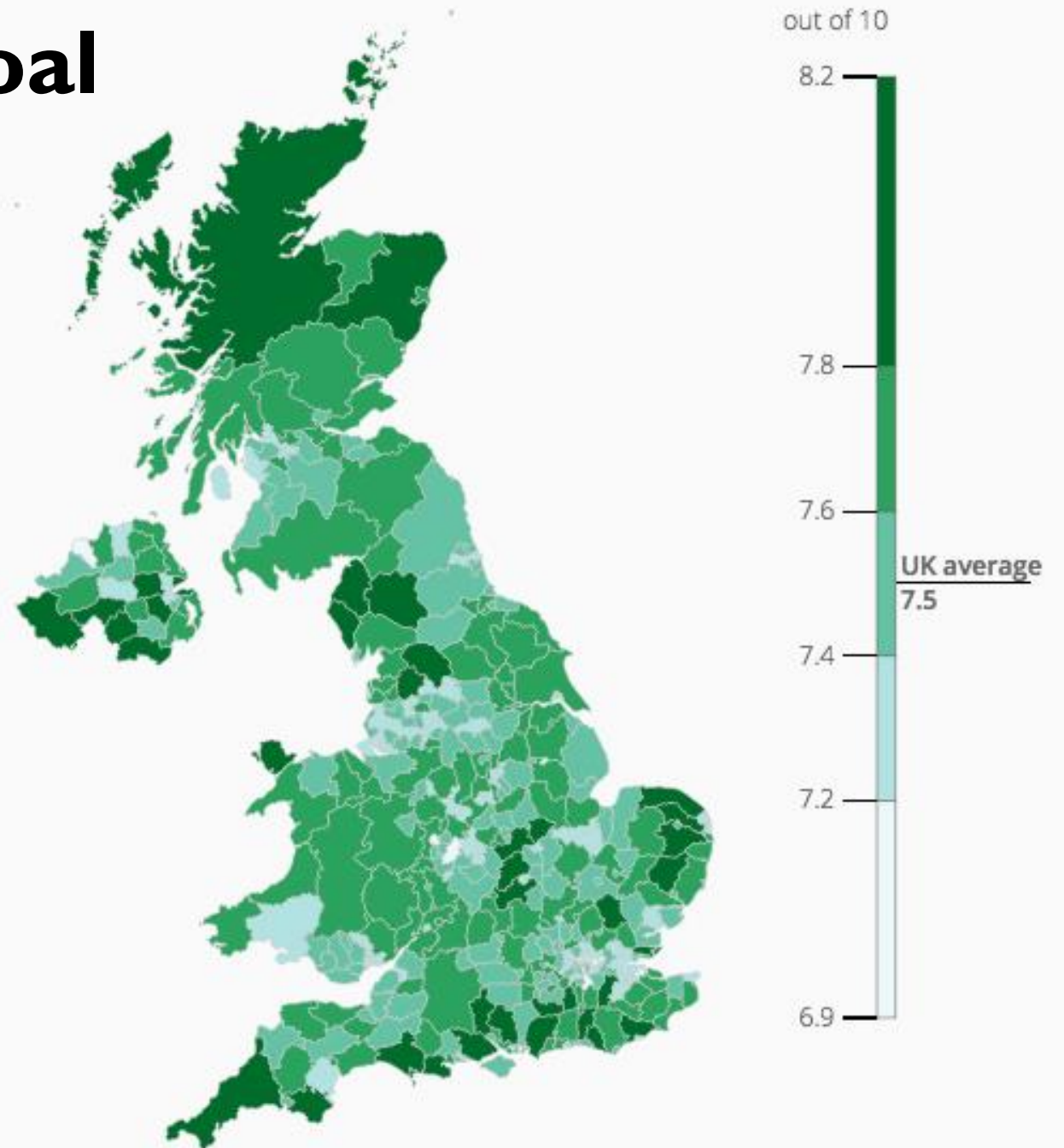
Clear metrics for measurement should be used

Social value should be key element rather than after thought

Contractors should evaluate social value.

Wellbeing as a policy goal

- Recognition around the world that traditional economic measures are not capturing what is important, desire to find a 'common currency'
- LSE, under Richard Layard, have been equipping the UK with the tools to measure wellbeing. Now part of the What Works Centre for Wellbeing
- The ONS now recommends every evaluation of a public service should include wellbeing measures





HM Treasury

THE GREEN BOOK

CENTRAL GOVERNMENT GUIDANCE ON APPRAISAL AND EVALUATION

Box 14. Valuation Methods for Non-Market Prices

Market prices

Prices from the relevant market (excluding taxes and subsidies). In some cases a closely comparable market can be used where a direct market price is unavailable.

Generic prices

Use of a Green Book approved transferable price applicable to the proposal.

Revealed preference

Techniques which involve inferring the implicit price placed on a good by consumers by examining their behaviour in a similar or related market. Hedonic pricing is an example of this where econometric techniques are used to estimate values from existing data.

Stated preference willingness to pay

Research study by professionally designed questionnaire eliciting willingness to pay to receive or avoid an outcome.

Stated preference willingness to accept

Research study by professionally designed questionnaire eliciting compensation to accept a loss.

Wellbeing

Use of direct wellbeing based responses (in existing data or from research by questionnaire) to estimate relative prices of non-market goods.

Estimation of a central reference value and a range

Based on available data.

- Decisions are made where to invest...not possible to invest in every area of need
- Implicitly decide that intervention A is 'better' than intervention B
- Already attaching value – is value-laden

Measuring social impact makes the
implicit, explicit

Broad definition:

‘Social impact measurement is concerned with assessing whether an intervention or action was in society’s interest’

But...how do we define ‘in society’s interest’?

Traditionally, approaches to measure social impact define ‘society’s interest’ as having wellbeing at the centre – called Welfarism.



HACT Value

Social Value work is not necessarily intrinsically 'good'...

...unless we understand what social value means.

Listening to people isn't valuable...

...unless we are prepared to respond.

Gathering lots of data on what impact we make isn't important...

...unless we use this information to shape services.

Wellbeing Valuation and HACT's work

HACT did some research in 2013...

Housing associations
reported existing
approaches did not meet
their needs

Lack insight, too small a
sample size, too
expensive, lack rigour, no
ability to work at scale

HACT developed a social impact measurement approach that is:

- Off-the-shelf, light-weight but robust framework to model and measure social impact.
- User-friendly yet with a sophisticated method in the background.
- A single and coherent methodological approach to valuation.
- Applicable to anyone working with communities.
- Uses a method at the heart of government decision-making.

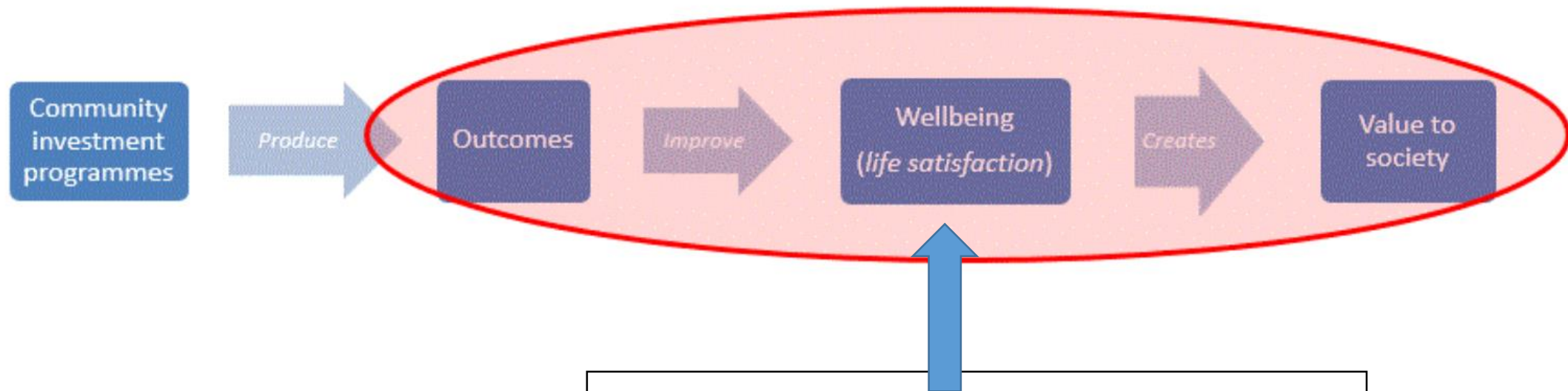
The measurement approach is based on Wellbeing Valuation



- Wellbeing Valuation = Value to individuals (Primary benefits)
- Social Value Bank deals specifically with wellbeing – life satisfaction



HACT Value

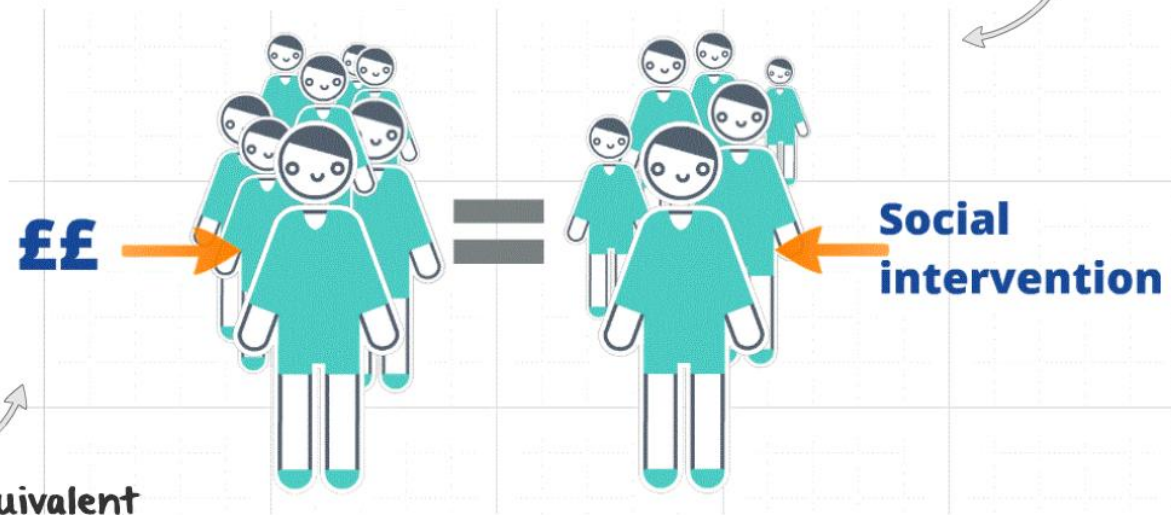


So, what does this mean?

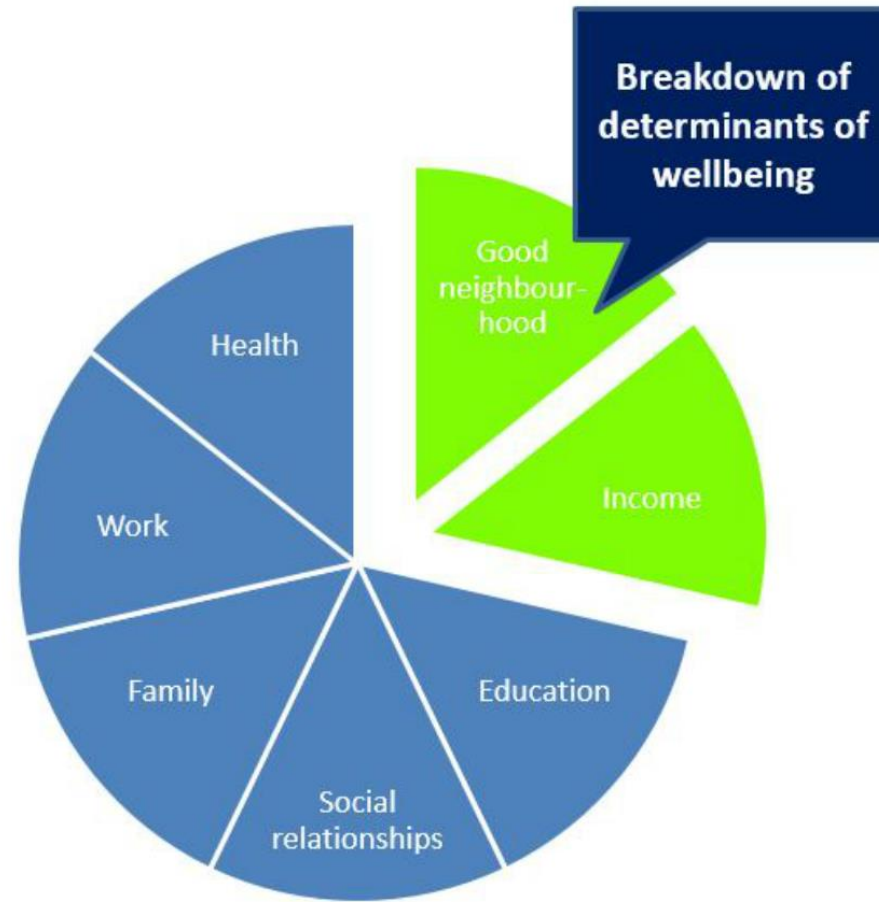
*It's about the **amount of money** that would **induce the equivalent change in welfare** for the individual...*

Statistical analysis reveals effect on life satisfaction

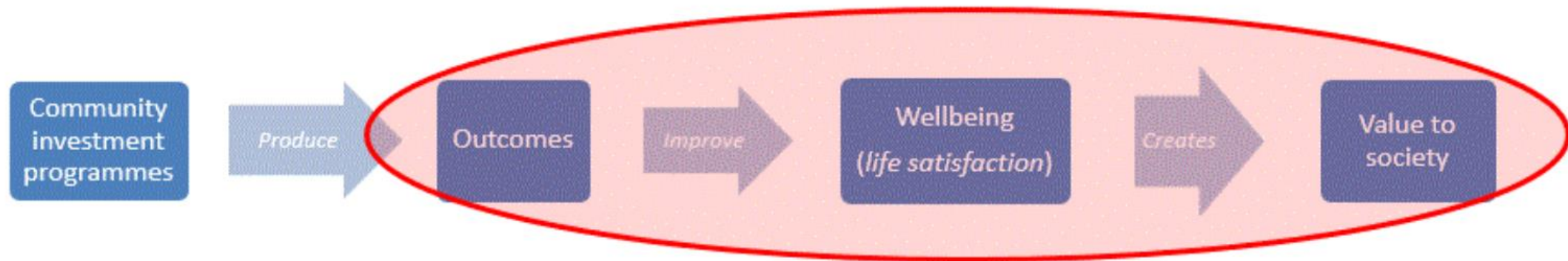
Income data reveals equivalent amount of money that results in same uplift



- Living in a good neighbourhood increases LS by 1 index point.
- What is increase in income needed to also increase LS by 1 point? (£1,747)
- Then the value of living in a good neighbourhood = £1,747



HACT Value



Outcomes = things like...

Employment

Financial inclusion

Digital inclusion

Relief from depression/anxiety

Health...

- Represent experience of the 'average' person
- Limited to outcomes from the available datasets.
Unlikely to measure *everything* you do
- Are binary – either apply value or not
- Deadweight is applied uniformly
- Only one piece of the puzzle



Results are likely to be one source of information to inform decisions.

- They do not represent actual financial return
- They do not represent savings to the state
- They are not money in the pocket of the participant



They represent the wellbeing uplift to the individual – using money as a common metric

HACT Value



UK Social Value Bank



Outcome	Unknown	<25	25-49	>50
◆ Full-time employment	£14,433	£13,446	£15,354	£13,865
◆ Self-employment	£11,588	£13,157	£11,952	£10,538
◆ Part-time employment	£1,229	£737	£1,824	£1,966
◆ Government training scheme	£9,447	£11,903	£5,668	£12,817
◆ Secure job	£12,034	£10,871	£12,148	£11,969
◆ Apprenticeship	£2,353	£1,861	£2,948	£3,090
◆ Vocational training	£1,124	£1,124	£1,124	£1,124
◆ Regular volunteering	£3,249	£2,895	£2,742	£3,324
◆ Regular attendance at voluntary or local organisation	£1,773	£1,901	£1,064	£1,064
◆ General training for job	£1,567	£2,507	£1,437	£2,507
◆ Employment training	£807	£484	£887	£940
◆ Employed parent for children (11-15)	£1,700	£1,700	#N/A	#N/A

Outcome	Average value	<25	25-49	>50
Energy efficiency improved by one EPC band	£217	£293	£130	£348
Resolution of problems with litter, rubbish or dumping	£449	£471	£299	£578
Resolution of problems with graffiti	£439	£379	£465	£390
Resolution of problems with vandalism	£299	£478	£320	£179
Resolution of problems with scruffy gardens/ landscaping	£379	£228	£234	£498
Resolution of problems with scruffy/ neglected buildings (NB: Definition excludes dwellings)	£449	£270	£439	£482
Resolution of problems with dog or other excrement	£401	£412	£241	£498
Resolution of problems with condition of dwellings	£336	£255	£299	£331
Resolution of problems with condition of road, pavements and street furniture	£196	£158	£117	£299
Rectification of serious condensation/ mould growth	£770	£1,232	£462	£1,212
Rectification of penetrating (higher level) damp	£674	£404	£482	£876
Rectification of ceiling fault	£266	£426	£160	£426
Rectification of floor fault	£754	£1,206	£615	£786
Rectification of wall fault	£390	£401	£234	£514
Rectification of door faults (interior doors)	£578	£347	£347	£903

HACTValue

Warwick-Edinburgh Mental Well-being Scale (WEMWBS)

	None of the time	Rarely	Some of the time	Often	All of the time
I've been feeling optimistic about the future	1	2	3	4	5
I've been feeling useful	1	2	3	4	5
I've been feeling relaxed	1	2	3	4	5
I've been dealing with problems well	1	2	3	4	5
I've been thinking clearly	1	2	3	4	5
I've been feeling close to other people	1	2	3	4	5
I've been able to make up my own mind about things	1	2	3	4	5

HACTValue

Warwick-Edinburgh Mental Well-being Scale (WEMWBS)

Category	Overall SWEMWBS score	Full model value
1	7-14	£0
2	15-16	£9,639
3	17-18	£12,255
4	19-20	£17,561
5	21-22	£21,049
6	23-24	£22,944
7	25-26	£24,225
8	27-28	£24,877
9	29-30	£25,480
10	31-32	£25,856
11	33-34	£26,175
12	35	£26,793

Social Value and Procurement

HACT Value

PROCUREMENT

Community
investment
programmes

Produce

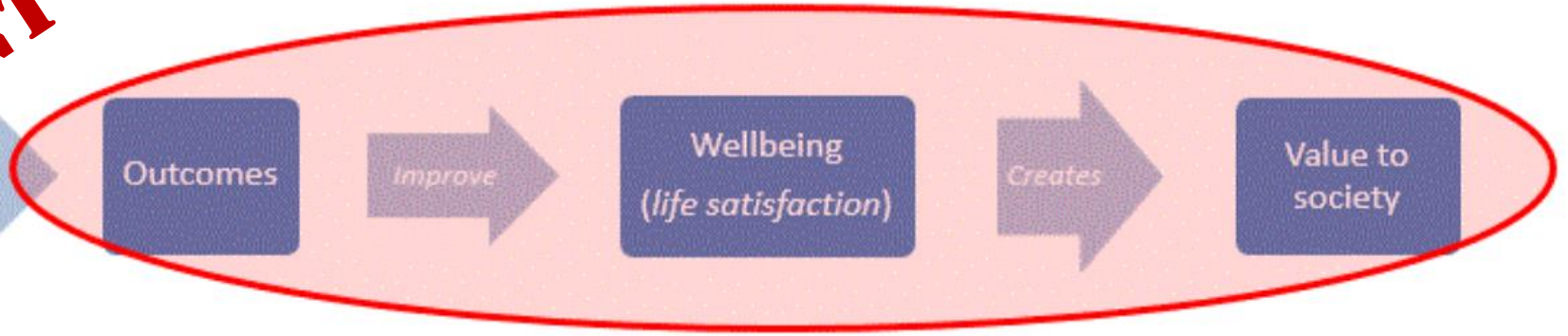
Outcomes

Improve

Wellbeing
(life satisfaction)

Creates

Value to
society



SOCIAL VALUE & PROCUREMENT

A TOOLKIT FOR
HOUSING PROVIDERS
& CONTRACTORS

Three main challenges:

1. Clarity
2. Consistency
3. Transparency



HACT Value

But how can we drive social value, rather than driving cost?



Step by step guidance

Legal guidance

Pricing guidance

Tool Bank



SOCIAL VALUE & PROCUREMENT

A TOOLKIT FOR
HOUSING PROVIDERS
& CONTRACTORS

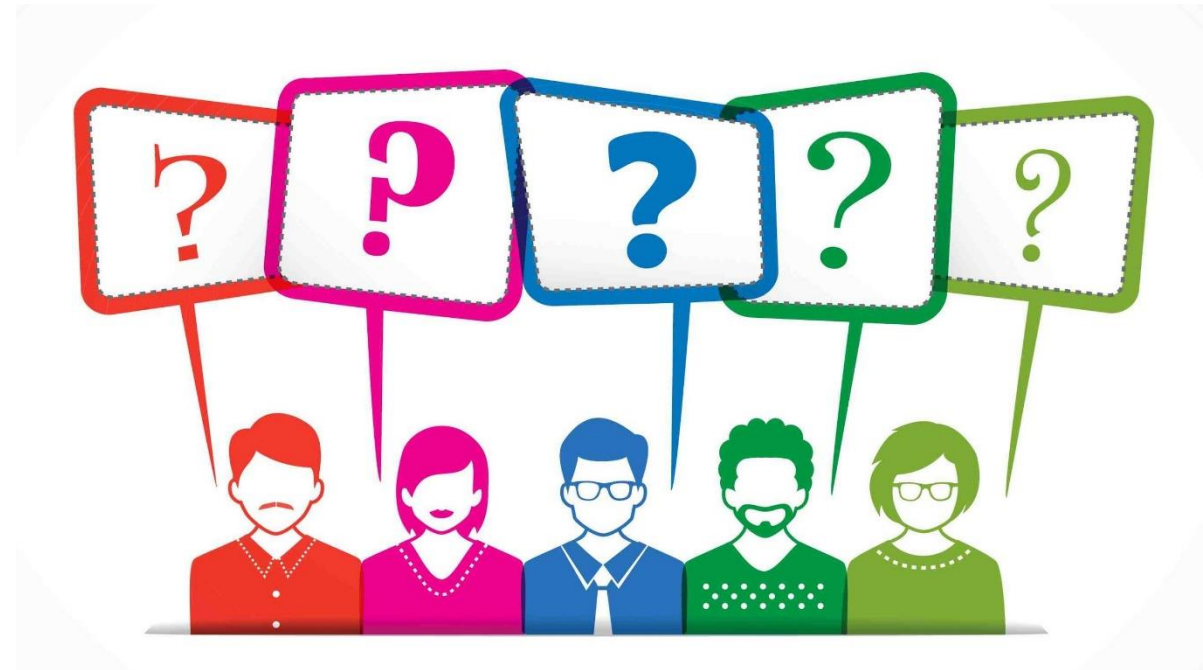


Download the toolkit:
www.hact.org.uk/procurement-toolkit

1. Do you have a clear understanding of what social value means to you and how it is delivered?
2. Do you have a clear and robust way to measure it?
3. Have you set clear success measures and expectations for performance? Are they ambitious enough?
4. How do you know that outcomes are being delivered and measured accurately?



5. How is social value information being used to inform decisions?
6. How is it being used as part of scrutiny?
7. How is it part of your programme for continuous improvement?
8. How does social value contribute to your VfM assessment?





Thank you

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www.hact.org.uk

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