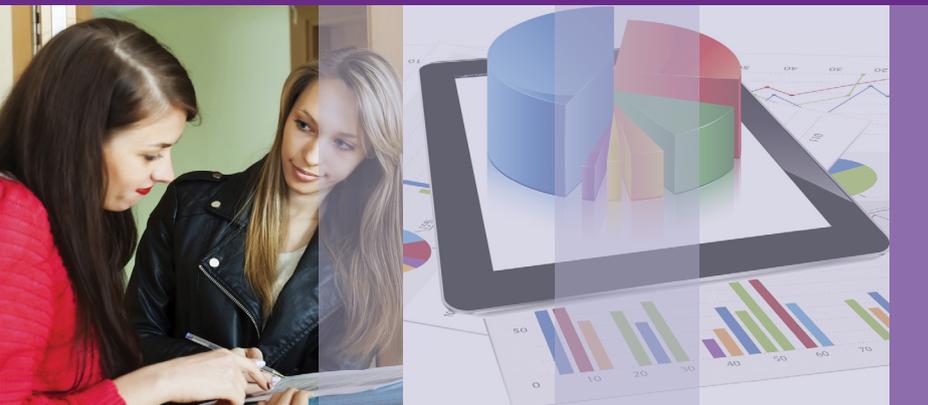


# 5 MINUTE GUIDE TO SOCIAL VALUE

What it means for the UK Social Housing Sector



## Table of Contents:

A definition of social value	3
Why is social value so important to the UK housing sector?	4-5
How can social value be measured?	5
Examples of projects that can add social value	6
Interpretation of outcomes	7
Application in the housing sector to date	8
Future developments	8
Using Tracker to estimate the social value created	9
'At a Glance' social value infographic	10
How Arena Partnership can help you	11
References and further reading	11

## A Definition of Social Value

Social value is about squeezing the most benefit out of every pound spent.

*“Social value encompasses a broad concept of value by incorporating social, environmental and economic costs and benefits. This means that as well as taking into account the direct effects of interventions, the wider effects on other areas of the economy should also be considered.”*

HM Government Compact (2010)<sup>1</sup>

These wider benefits can broadly be broken down into:

1. **Benefits to the state** (UK PLC) - e.g. reductions in benefit claims and reduced pressure on NHS services.
2. **Benefits to the local community** - if an individual goes back into full-time employment, they not only reduce their benefit claim but in addition are likely to have surplus income to spend within the local economy.
3. **Benefits to the individual** - residents' feelings of wellbeing, mental and physical health are improved due to a better quality of life.



## Why is social value important to the UK housing sector?

### Legislation and Regulatory Frameworks

Current legislation relevant to the housing sector dictates that social value should be taken into consideration:

*“...public authorities are required to have regard to economic, social and environmental well-being in connection with public services and contracts; and for connected purposes.”*

**Social Value Act (2012)<sup>2</sup>**

*“...boards must maintain a robust assessment of the performance of all their assets and resources (including for example financial, social and environmental returns).”*

**VFM Standard, HCA Regulatory Framework (2012)<sup>3</sup>**

### Social value supports and validates housing providers' ethos

Social housing providers have long been known for providing more than just a roof over people's heads. They have a well established history of supporting the individuals they house in a variety of ways, including:

- Help through 'return to work' programmes
- Help with the development of financial and learning skills
- Help with sourcing healthcare and improving well-being

The social value approach facilitates a way of quantifying and evaluating the positive impact of these programmes, thus emphasizing credibility.

It also helps to demonstrate not only benefits to individuals, but to the wider community as a whole.

### Social value aids the housing providers' business models

Support programmes and the social value approach can also benefit housing providers themselves. From a financial perspective, a programme focussing on returning tenants to employment engenders a social outcome that also benefits the provider, as tenants are less likely to get into arrears once they have returned to work.

This supports the financial business model of the housing provider and allows them to reinvest any surplus revenue.

## How can social value be measured?

There are several methods and approaches that are currently being used in the social housing sector to measure social value. There are positives and negatives associated with each approach, so careful consideration should be given when choosing an appropriate data set.

The three approaches that have been cited most regularly so far are listed below:

1. Use of proxy values to give an average value for a certain benefit (e.g. one person returning to work = £x)>

Examples of proxy data sets include:

HACT Social Value Bank<sup>4</sup>

New Economy Unit Cost Database<sup>5</sup>

NHS Reference Costs<sup>6</sup>

Global Social Value Exchange<sup>7</sup>

2. (Social) cost benefit analysis, examining the full costs and benefits of a particular project to evaluate its full impact in relation to input required.

3. SROI (Social Return on Investment) methodology, giving a more in-depth analysis of the specific of a project. SROI methodology combines the scientific and statistical techniques of the above approaches with stakeholder involvement and qualitative interviews.

## Examples of projects that can add social value

### Case studies

Although the social value approach is still in its infancy, there are a plethora of case studies and examples showing how this approach creates a positive impact on the social housing sector. Examples of ways that social value has been added include:

- Commissioning building contracts where the majority of the workforce come from the local area.
- Apprenticeship programmes that include local tenants
- Supporting tenant social enterprises.
- Offering tenants opportunities to volunteer, mentor, learn new skills and gain qualifications.
- Running digital inclusion programmes.
- Running financial inclusion programmes.
- Supporting tenants with budgeting to tackle food and fuel poverty.
- Using local suppliers and renewable resources wherever possible.



## Interpretation of outcomes

There are many areas to be mindful of when attributing social value to a project. As the sector has developed, certain buzz words have emerged to help describe some of these challenges. A list of these and other points to consider are shown below:

**Attribution:** How much of the outcome can the project itself take credit for? To what extent can you claim that your project 'made a difference' without over or understating your claim?

**Deadweight:** What would have happened without intervention? For example, if you are working on a project to help individuals return to work, would a certain percentage of them have returned to work regardless?

**Length & Drop Off:** How long does the effect last, and does it start to reduce after one year?

**Displacement:** Has the positive outcome of your project prevented an equivalent outcome elsewhere? For instance, have you improved ASB in a certain area, or has it simply moved to another area?

**Qualitative vs. Quantitative:** Relying on statistics alone, (particularly with small samples) can result in nonsensical data. An example of this would be an individual returning to work; this could result in different financial gains depending upon the job role. Adding an average value may not accurately represent this, therefore interviewing individuals and applying a common sense approach is imperative.

## Application in the housing sector to date

Following the Social Value Act of 2012, housing providers are beginning to implement the social value approach. As previously mentioned, there are numerous case studies emerging that clearly show the positive outcomes of this approach.

However, adoption of the approach isn't yet consistent. There still seems to be confusion around certain aspects, in particular methodology, and how best to quantify social value. Our infographic on page 10 illustrates the challenge faced by measurement.

## Future developments

Although the social value approach is gaining momentum, its presence as a consistent culture across the social housing sector is still yet to come.

Feedback from our customers express the desire for the following:

- More guidance on methodologies and best practice with a guide to which proxies to use in which situations.
- Opportunities to learn from others; networking with colleagues to discuss different innovative and pioneering approaches to adding and demonstrating social value.
- Software to enable users to quantify social value outcomes quickly and easily. The software should allow the user to conduct analysis at a level they deem appropriate. For example, users are able to complete basic social value calculations, but can also store data to inform more in-depth CBA or SROI analysis if required.



## Using Tracker to estimate the social value created

There are two key ways in which the Tracker software can help with recording and measuring the social value created by your programmes of personal and community support.

- **Calculating a 'Quick estimate' of the social value created at any stage.**

This will serve as a measure of progress and an indicator of the value which may later be identified from the full, in-depth analysis below. Tracker automatically calculates this rough guide at every stage of the programme and gives a social value per £ of input cost.

- **Gathering detailed records for an accredited, post-event social valuation exercise.**

These records can include: the value of all programme inputs; the impact on each individual client and any additional impacts. This detailed evaluation is not available from Tracker but may be conducted using any specialist software package.

The 'Quick estimate' is not an accredited calculation and does not include any deadweight, drop-off or displacement adjustments. It is calculated using a combination of the following indicators and proxy values, which can be setup by each organisation to meet their specific requirements:

- **Client impact criteria**

These can measure (e.g.) wellbeing or skills using star charts. Tracker will automatically calculate changes for each client over the course of a programme and aggregate these together as an indicator of the overall impact of the programme.

- **Programme output indicators**

In addition to the aggregate value of individual client impacts, users can set up their own library of indicators to be used in evaluating other programme outputs.

- **Social value proxies**

The 'Client impact criteria' and 'Programme output indicators' above can each be linked to a social value proxy from which Tracker will automatically calculate the social value being created. These proxies can be selected from HACT, Global Value Exchange or any other chosen source and input via 'Setup'.

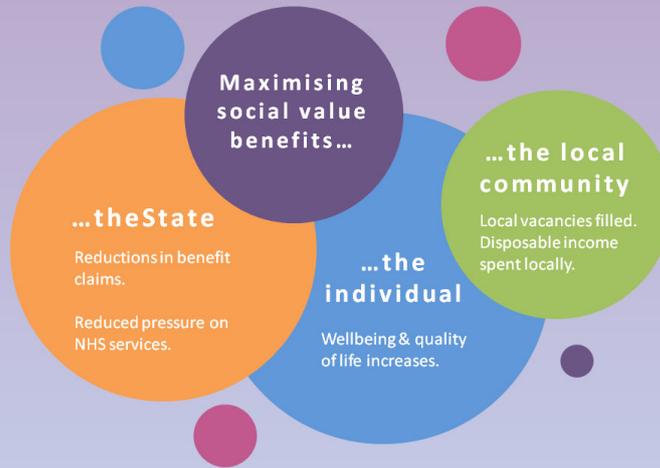
**To discuss how Tracker may be able to help your organisation, or to arrange a free demonstration, please e-mail [info@arenapartnership.co.uk](mailto:info@arenapartnership.co.uk) or call us on 01603 813932.**

# Social Value

... squeezing the most out of every £1 spent



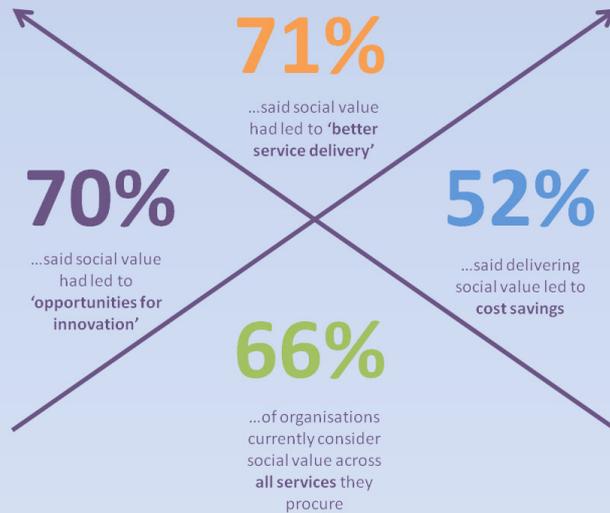
Arena Partnership's TP Tracker™ can help you to maximise social value with its tailor-made software, support and services. **But why is social value so important?**



Social value can deliver cost savings and better services.



**FACT!** Statistics on social housing providers\* show that...



Measuring social value doesn't have to be a challenge!

Our TP Tracker™ is a bespoke, user friendly way of quantifying your desired outcomes.

## The Measurement Challenge

53% see measurement as the main barrier to implementation *during* the commissioning process

55% see measurement as the main barrier to implementation *post-commissioning*

## How Arena Partnership can help

Here at Arena Partnership we are dedicated to keeping on top of the latest advances with regard to social value.

Our Tracker Network™ members receive regular **e-newsletters** on this and other related topics. In addition, members are also invited to our latest sector events. To sign up, please visit our **website**.

We regularly post articles on this subject on our Arena Partnership **blog**.

We have a lively interactive presence on **Twitter** and **LinkedIn**.

Bite-sized excerpts of our blogs can be found on our **Tumblr** page.

Our **Support Tracker™** software has been specifically designed with the need of social housing providers in mind. It allows users to track and quantify the social value of their support programmes in the level of detail that is tailor-made to their requirements.

## References and further reading

<sup>1</sup> HM Government (2010) The Compact, accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/214617/the\\_compact.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214617/the_compact.pdf)

<sup>2</sup> HM Government (2012) Public Services (Social Value) Act, accessed at:

[http://www.legislation.gov.uk/ukpga/2012/3/pdfs/ukpga\\_20120003\\_en.pdf](http://www.legislation.gov.uk/ukpga/2012/3/pdfs/ukpga_20120003_en.pdf)

<sup>3</sup> HCA (2012) The Regulatory Framework For Social Housing in England From 2012, accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/320616/regfwk-2012.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/320616/regfwk-2012.pdf)

<sup>4</sup> HACT Social Value Calculator, accessed at: <http://www.hact.org.uk/value-calculator>

<sup>5</sup> New Economy Unit Cost Database, accessed at: [http://neweconomymanchester.com/stories/832-unit\\_cost\\_database](http://neweconomymanchester.com/stories/832-unit_cost_database)

<sup>6</sup> NHS Reference Costs 2013-2014, accessed at:

<https://www.gov.uk/government/publications/nhs-reference-costs-2013-to-2014>

<sup>7</sup> The Global Value Exchange, accessed at: <http://www.globalvaluexchange.org/>

<sup>8</sup> Social Enterprise Uk (2014) Communities Count. Four Steps of Unlocking Social Value, accessed at, [http://www.socialenterprise.org.uk/uploads/files/2014/06/communities\\_count\\_final\\_report.pdf](http://www.socialenterprise.org.uk/uploads/files/2014/06/communities_count_final_report.pdf)

### Further Reading

Bromford (2014) Social Value Methodology Report, accessed at: <http://www.bromford.co.uk/media/1468394/social-value-methodology.pdf>

Northern Housing Consortium (2014) Empowering Tenant Enterprise, accessed at:

<http://www.northern-consortium.org.uk/assets/Policy%20Documents/NHC-Tenant-publication.pdf>



For more information about Arena's software and services or the Tracker Network, visit our website to see how other social housing landlords are benefitting.

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