

The social value of Community Asset Transfers (CAT):

Bristol and Bath CAT social value and financial savings calculator

User guidance

Embedding social value in the built environment: the Bristol model

HACT is working closely with Bristol and Bath Regional Capital CIC (BBRC), a civic-led, commercially focused organisation, specialising in delivering innovative investment solutions. The ambition of BBRC is to become a significant and commercially sustainable driving force catalyzing regional change.

As a city, Bristol has identified the need to work collaboratively with all partners to make a greater impact for key issues facing the city including the economy, improving health and the environment. This commitment is articulated through the One City Plan which aims to create a more equal, inclusive and sustainable city.

BBRC works with both investors and those seeking loan or other finance. BBRC brokers mutually beneficial projects which provide a financial as well as social return. A key element of BBRC's work is supporting Community Led Housing (CLH) to provide high quality homes benefiting the local community and the regional economy for the long term.

Affordability is a key issue in Bristol, an area that is second only to London in terms of the lack of affordable housing available relative to income.

Access to land at a discounted rate is crucial issue. To help release land at a discounted rate from Bristol City Council and other socially minded land owners, a Social Value Land transfer model was commissioned by BBRC and was developed during the Autumn 2018 to Winter 2019.

The model was introduced by HACT and BBRC to interested Bristol partner organisations on 29 January 2019. The model has functionality including forecasting and identification of the added social and financial value generated by a CLH/Community Asset transfer approach. This value is presented in a social value monetized figure that can be used to make the case for land transfer from landowners like Bristol City Council.

To build on this work a Social Value in Community Housing and Asset Transfer Group has been assembled consisting of Bristol City Council, BBRC, Southmead Development Trust, Community Led Housing West, HACT and Power to Change.

The group will develop and implement a land transfer policy for Bristol City Council to community groups based on social value.

Specifically, the group will;

- Develop the above land policy.
- Ensure that it is complementary to other BCC policies.
- Work through issues raised in relation to the model.
- Ensure that the model is workable and straightforward for both Community led Housing groups and Bristol City Council.

Tasks which phase 2 will aim to address are;

- Ensuring that the model uses the same, or compatible, measures of social value as other BCC processes. The measures need to be nationally recognised, aligned to the 'Bristol,

One City' Plan and work in conjunction to avoid double counting.

- Ensuring that the model is as user friendly (without compromising on requirements) for community led housing groups as possible.
- Creating a proposal for how projects will be monitored using the model.
- Exploring the process of reclaiming the land value discount if community groups do not deliver the social value outcomes. The solution should aim to work with groups and minimise damage to them in the event of needing this.
- Modeling several real projects in Bristol using the HACT model and report results back to the wider group.
- Recommending a first project with which to apply the prototype social value model to the land transfer process.

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1 Background

1.1 Why understand the Social Value of Community Asset Transfer (CAT) and financial savings?

CAT can generate additional social value and financial savings when they are managed by the community rather than the Council or other public bodies such as Housing Associations, the NHS and Higher Education Institutions. Demonstrating this additional social value and financial saving has numerous uses including making the case for an asset transfer, securing additional funding and demonstrating to stakeholders added value.

Local people are often best placed to manage community facilities in their area. They already make extensive use of these assets and their local knowledge and hands-on management often results in lower overheads and better value-for-money. Community organisations also use volunteers and take great pride in their local area.

Managing these facilities helps to empower local communities and can bring opportunities for greater independence and financial sustainability. When done well, CAT can create lasting change in local neighbourhoods.

Bristol and Bath Regional Capital CIC and HACT have developed a calculator which demonstrates the additional social value and financial savings impact generated. The calculator will clearly and accurately measure impact, in an easy to use format using robust, widely recognised and comparable metrics.

By creating a social value and financial savings calculator, information can be provided which

will help inform decisions on asset transfers, demonstrate impact to funders and stakeholders, as well as adding to the body of impact evidence available.

1.2 Bristol Community Asset Transfer context

Community Asset Transfer in Bristol is defined as: “The transfer of land or buildings from the council’s freehold ownership into the stewardship and/or ownership of third sector organisations.”

Bristol City Council recognises that CAT can be a valuable part of supporting and sustaining the third sector in Bristol and the Council wish to ensure council assets are managed by the people who regularly use them.

1.3 HACT and Community Asset Transfer

HACT has a long-standing role in supporting Housing Associations to deliver their social purpose. One of the documents which HACT has produced for the benefit of the Housing sector is a toolkit for Community Asset Transfer.

More information to be found on the HACT web site:

www.hact.org.uk/Community-asset-transfer-toolkit

Housing associations can support their tenants to consider asset transfers. Knowledge of HACT social value calculator is widespread in the sector and wellbeing valuation is widely recognised as a way of helping inform decisions, demonstrating impact and improving services.

1.4 Wellbeing Valuation

Since 2013, HACT has led the way on social impact measurement in the housing sector through the development of a robust yet proportionate approach for housing associations and their supply chain. At the centre of HACT's approach is the Social Value Bank, a list of monetary values produced using the Wellbeing Valuation method.

Wellbeing Valuation is the latest thinking in social impact measurement. It converts outcomes into monetary values based on how much they increase individual wellbeing. Policymakers are increasingly interested in using wellbeing to gauge

the relative benefits of public services.¹ Wellbeing Valuation takes this thinking a step further by allowing the comparison of monetised benefits to the costs involved in running the project or release of land at a discounted rate.

The approach works through the analysis of large national datasets to identify outcomes. National datasets used in the wellbeing valuation approach include Understanding Society, Crime survey for England and Wales, English Housing Survey and Taking Part survey (Table 1).

¹ <http://www.lse.ac.uk/researchAndExpertise/researchImpact/caseStudies/layard-happiness-wellbeingpublic-policy.aspx>

Table 1: National datasets



Table 2 below demonstrates how sophisticated statistical analysis is used to isolate the effect of a factor on individual wellbeing. Analysis of income data can then be analysed to reveal the equivalent amount of money needed to increase someone's wellbeing by the same amount. This can then be compared to the costs to understand the net benefit of cost to social value.

The main advantage of Wellbeing Valuation is that the values are consistent and robust. This means that while an organisation may be examining values for different types of outcomes, it is still comparing like with like.

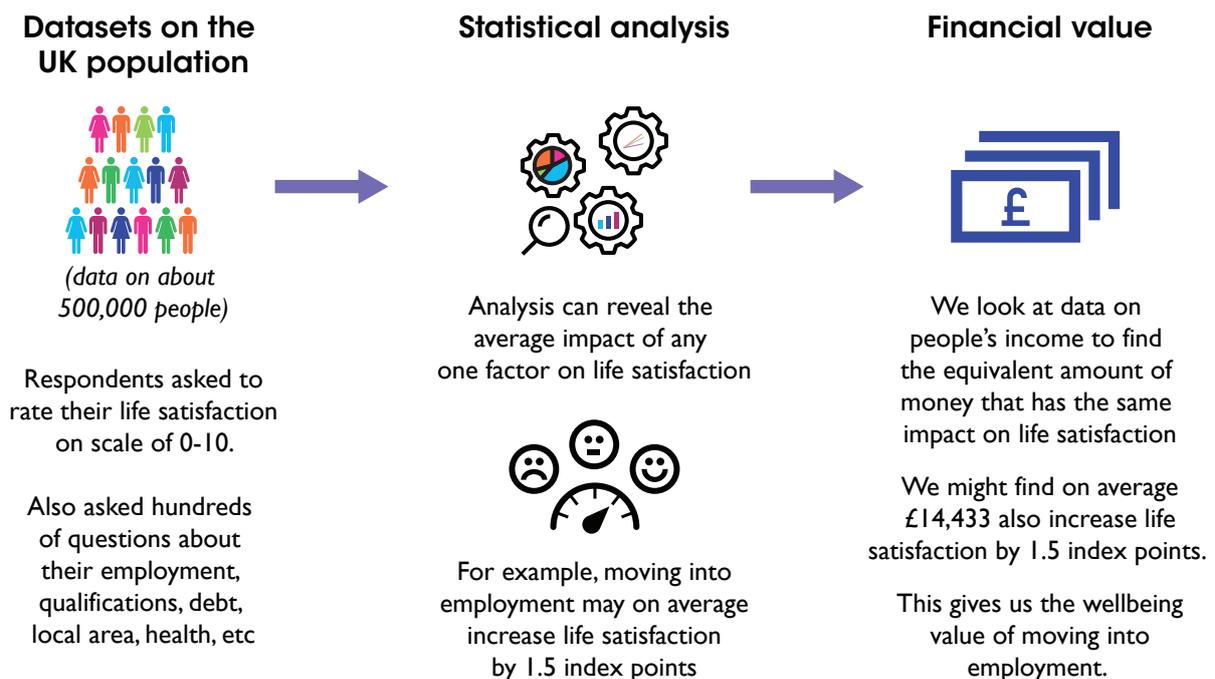
Wellbeing Valuation has been used to develop the UK Social Value Bank. Working with Daniel

Fujiwara at Simetrica the UK Social Value Bank is the largest bank of methodologically consistent and robust social values ever produced. The values provide a basic assessment of social impact, provide evidence of value for money, demonstrate additional addition benefits to the CLH approach and compare the impact of different programmes. The values can also be used within a full SROI or Cost-Benefit Analysis.

The UK Social Value Bank represents a major step forward in the quality of resources available to those seeking to place a social value on community-focused activity. Further information on applying the approach can be found in the HACT web site:

www.hact.org.uk/social-value-bank-practice-notes

Table 2: Stages involved in wellbeing valuation



Wellbeing values selected for use in the Bristol Social and financial savings calculator are seen in Table 3 below.

Table 3: Wellbeing values used in the Bristol CAT social and financial savings calculator

Please fill out the following information on **Supporting the Local Community** related to the Community Asset Transfer

| |
|---|
| No. of individuals becoming "members of a tenant group" |
| No. of individuals becoming "members of a youth group" |
| No. of individuals "feeling part of a neighbourhood" |
| No. of individuals who do "regular exercise" |
| No. of individuals with "improved mental health" |
| No. of individuals with "hobbies" |
| No. of individuals who are involved in football |
| No. of individuals experiencing reduced fear of crime |
| Reduction in number of anti-social behaviour incidents |

Please fill out the following information on **Maintain and develop services** related to the Community Asset Transfer

| |
|--|
| Homelessness services provided for rough sleepers |
| No. of individuals going from rough sleeping to temporary accommodation |
| No. of individuals going from rough sleeping to secure accommodation |
| No. of individuals accessing advice services |
| No. of individuals experiencing reduced problems with youth hanging around |
| No. of individuals experiencing reduction in crime |

Please fill out the following information on **Protecting local assets and regenerating the local area** related to the Community Asset Transfer

| |
|---|
| No. of individuals who experience "resolution of problems with scruffy buildings" |
| No. of individuals experiencing reduced problems with vandalism |

1.5 Financial savings for Social Impact

In addition to wellbeing valuation to measure social impact other financial proxy measures can be used. The most comprehensive and recognised set of values compiled to demonstrate the financial impact of public services has been compiled by the Commission for New Economy in Manchester.

Updated March 2015. The database contains costs across the following themes: crime; education and skills; employment and economy; fire; health; housing; and social services. In particular, it builds on work by six localities (Birmingham, Hammersmith & Fulham, Oldham, Tameside and Westminster councils, and Essex County Council). The data have been subject to a rigorous validation

process, including assessing the robustness of the original source documentation, considering how data have been derived from constituent cost elements, comparing costs to related data, and exploring the availability of more recent/robust sources. The data has also been reviewed by analysts from the relevant Whitehall departments.

Financial values used in the calculator are seen in table 4 below.

Additional financial information in table 5 below can also be added where available to demonstrate how the CAT will realise more financial benefits for example through the receipt of grants, social investment, community shares, and increased rental income.

Table 4: Financial values used in the Bristol social and financial savings calculator

Please fill out the following information on **Capacity Building Information** related to the Community Asset Transfer

Total number of volunteering hours

Please fill out the following information on **Supporting the local economy** related to the Community Asset Transfer

Number of new full-time jobs created

Number of new full-time self-employment opportunities created

Table 5: Additional financial values used in the Bristol social and financial savings calculator

Please fill out the following **Sustainability information** related to the Community Asset Transfer

Increased rental income per annum (£)

Increase in asset value (£)

Community share value (£)

Increased social investment (£)

Grant (£)

Additional business rates per annum (£)

2 Key steps for using the calculator

2.1 Operating the calculator

The social value and financial saving calculator has been developed to demonstrate additional numerical proxy cash values from the UK Social Value Bank and the Commission for New Economy Unit Cost database related to community asset transfer schemes.

The calculator is operated through four tabs on a spreadsheet with the inputs tab providing the information required to demonstrate outcomes into social value and financial savings.

2.2 Cover Tab

The cover tab provides guidelines which gives the user most basic background to the tool.

2.3 Summary tab

The summary tab provides a summary of an individual CAT social value and financial impact which is then discounted by a deadweight figure (what would have happened anyway) and is discounted over a period over a standard period of 5 years.

2.4 Input tab

Users can change the length of time social value and financial impact is discounted on the calculator through the discounting tab.

The input tab requires the user to forecast the additional (compared to what might be expected in other forms of management) number of people who are expected to benefit from the scheme over the total period of years selected.

The number of people entered on the input tab therefore need to account the number of people-years that the metric applies to.

Some inputs (e.g. rows 43-48) are based on specific events taking place, so may only happen once or twice within the 5 years. For example, No. of individuals going from temporary to secure housing.

Outcomes selected will depend on the type of use the asset transfer will be put to. The example below is related to homelessness through conversion of a Council owned asset into flats , 8 flats might be let to families who have been in temporary accommodation in year 1, and then a further 8 lettings take place over the following 4 years. This would mean the number of individuals helped is 32 (16 in yr 1 assuming 2 parents, and 16 in years 2-5).

In these cases the user should seek input from Bristol City Council as to a reasonable assumption based on average relet rates.

It is standard practice to run a model like this over 5 years. However the wellbeing benefits are likely to apply for a longer period than this in reality.

Other inputs will apply every year, for example No. of individuals 'Feeling belonging to a neighbourhood'. These metrics can apply to every person, for every year that the scheme is modelled over.

For example, row 32, if it is expected that 56 individuals will experience this outcome, the number to input is 280 (56 individuals x 5 years)

2.5 Discounting tab

Deadweight: this is a deduction that is made to account for the fact that some of the wellbeing improvements might have happened anyway. The

deadweight for the different metrics are specified in the Discounting etc tab.

Discount rate: this is applied year on year to account for the fact that a wellbeing improvement in the future is less valuable than the improvement taking place in year 1. A standard assumption of 3.5% has been applied in the Discounting etc tab. This is equivalent to the NPV discount rate in residual land value calculations based on rental incomes, to reflect the time value of money.

2.6 Additionality

Additionality: It is important that outputs are calculated not in absolute terms but as a reflection of the added benefits which CAT developments bring. Users should be prepared to explain how their figures have been calculated demonstrating why their scheme will bring added value. Additional support is available from HACT to help users formulate their forecast.

2.7 Choice of outcomes

It is conceivable that other values from the UK Social Value Bank and Commission for New Economy unit cost database could be used and due consideration was given to several different values.

The values chosen were considered the best ones available to demonstrate the added value generated and playing most to the strengths of CAT without making the process overly complicated.

3 Evidence requirements

3.1 Pre and post surveys

It is important that evidence is collected in relation to the values post completion to demonstrate the actual impact produced. This information will be crucial to help learn from users experiences and make future adjustments to the calculator.

Users should be prepared to evidence impact through records in relation to employment outcomes and the letting of their properties.

Wellbeing values differ with age, different values are built into the calculator, so users should keep a record of the age and insert into the appropriate section of the input tab (16-24, 25-49, 50+) of any individuals benefiting from the scheme.

Some values require pre and post survey evidence.

Feeling part of the neighbourhood

To demonstrate the successful completion of an outcome, surveys need to show if people agree or strongly agree they belong to a neighbourhood. The asterisk to the right-hand side of the response represents a valuable answer. If an individual reports agreeing with the statement in a post survey when in the pre-survey they neither agreed, disagreed or strongly disagree then this represents an improvement in wellbeing and a valuable outcome.

Feel belonging to neighbourhood

I feel like I belong to this neighbourhood

- | | |
|-----------------------------|---|
| 1. Strongly agree | * |
| 2. Agree | * |
| 3. Neither agree / disagree | |
| 4. Disagree | |
| 5. Strongly disagree | |

Number of individuals experiencing reduced fear of crime

To demonstrate successful completion of this outcome surveys need to show how an individual perception of crime has changed through the pre and post surveys. To demonstrate a valuable outcome, the respondent should have been either very worried/fairly worried/not very worried about being a victim of crime then subsequently report they are not at all worried.

Not worried about crime

How worried are you about being a victim of crime?

- | | |
|-----------------------|---|
| 1. Very worried | |
| 2. Fairly worried | |
| 3. Not very worried | |
| 4. Not worried | |
| 5. Not at all worried | * |

Reduction in anti-social behaviour

To demonstrate a reduction in the number of anti-social behaviour incidents respondents should have reported that they now rate the level of anti-social behaviour in their area as low when previously it was considered high.

No problem with anti-social behaviour

How would you rate the level of anti-social behaviour in the local area?

- | | |
|------|---|
| High | |
| Low | * |

Number of individuals reporting improved mental health

To demonstrate successful completion of number of individuals with improved mental health respondents should have reported that they are not suffering from depression or anxiety when previously they reported suffering from depression or anxiety.

Relief from depression/anxiety (adult)

Do you suffer from depression or anxiety?

- | | |
|-------------------------|---|
| 1. Yes | |
| 2. No | * |
| 3. Prefer not to answer | |

Number of individuals becoming members of a youth group

To demonstrate successful completion of number of individuals becoming members of a youth group the respondents should have reported that they are now attending youth groups or other organised activities most days/more than once a week/less than once a week when previously they never or hardly ever attended.

Go to youth clubs

How often do you go to youth clubs, scouts, girl guides or other organised activities?

- | | |
|--------------------------|---|
| 1. Most days | * |
| 2. More than once a week | * |
| 3. Less than once a week | * |
| 4. Hardly ever | |
| 5. Never | |

Two wellbeing values are contained in the calculator are related to improvement to physical improvement to the environment.

- Number of individuals who experience resolution of problems with scruffy buildings
- Number of individuals experiencing reduced problems with vandalism

In order to demonstrate the wellbeing values when using these outcomes, the local area around the dwelling should be surveyed to consider the extent to which the relevant problem is present, recorded on a simple subjective scale from 1 (no problem) to 5 (major problem). Values can be applied where an area is improved from being assessed as scoring 3, 4 or 5 to being scored 1 or 2.

3.2 Organisation records

Other values listed below require users to keep records to demonstrate that they have successfully achieved an outcome.

- Record of individuals moving from rough sleeping to secure housing
- Record of individuals moving from temporary accommodation to secure housing
- Record of individuals moving from rough sleeping to temporary accommodation:
- Number of volunteering hours
- Number of new full-time jobs created
- Number of new self-employment opportunities created
- Number of people who do regular exercise
- Number of people taking up hobbies
- Number of people who are involved in football
- Number of people becoming members of a tenant's group

3.3 Post scheme evaluation and monitoring

It is recommended that evaluation continues post completion for a period of 5 years. It is important to establish good practice early on:

Efforts should be made to ensure buy in for those undertaking the surveys. It is also important that re-assurance is given to participants that the information collated will not be shared with

other organisations and privacy will be respected. Evaluation should be built into the management reporting of the transfer post completion and information reviewed to track progress or identify areas for improvement.

It is important that social value indicators are tracked using a simple recording and monitoring system an example is highlighted below.

Table 5: Monitoring system example

| Outcome | Action points | By whom | Target date |
|---|--|---------|--|
| Helping people to feel belonging to the neighbourhood | Ensure pre-survey is completed with building users | | On involvement with service |
| | Assess feeling of new users on how to involve and inform of neighbourhood activities and support available | | On involvement with service |
| | Initial check on how resident is feeling | | One month after pre-survey |
| | Adjust or complete post survey | | Three to six months after involvement in service |

4 Understanding and using your results

4.1 Reporting progress

The calculator produces results ready for you to analyse in the summary tab.

The Overall social impact score figure reveals the additional total value produced based on the inputs over the people benefiting over 5 years.

The Discounted impact is the amount which is generated once deadweight and discounting is applied.

These figures should be presented to key stakeholders in the process throughout the development stage of the project and systems should be in place to monitor performance based on the forecasts made. Pre and post surveys and organisational records will be required to prove that the social value and financial savings forecasted have been delivered.

It is recommended that systems are put in place to report on progress quarterly with all interested stakeholders such as the Council, service users and Board members.