

Social Value in Harder Times

Conference report

Thursday 21 January 2016

Morning Plenary

Social value in hard times

Matt Leach, Chief Executive at HACT

Austerity is over, we are led to believe, and things are back to normal. However if you look at the 2015 Spending Review figures from the Office for Budget of Responsibility, they show what's really happening. Budgets are still shrinking significantly. What does that mean in practical terms? Day to day spending departments are taking big hits – 79 per cent cut to local government between 2010 and 2020.

This shows the extent of radical shift of the size of the state. Today it is changing radically and is very different from previous ups and down. There is reform in the way welfare is delivered. This trajectory is profoundly changing the nature of the communities we are working within. Benefits are dropping off a cliff. Pensioners are being protected, by pressing down on other benefit claimants. We as a sector need to understand the extent of changes over the next 5/10 years.

Housing Association income will be affected. The external pressures from the subsidiary changes are beyond recognition and business planning will become much more difficult. Overall, financial pressures are bearing down and social pressures are rising so we need to think about how respond to that. This is a very different scene to 5/6 years ago. £750m was spent by housing associations on communities then – and the housing sector was very proud of the work within communities. Proud of how much they spent as an organisation on this work and how many people they helped. The value was judged on those terms with a concentration on numbers and outcomes.

Now we need to think about value in non-monetary terms and acknowledge social value. Introduction of the Social Value Act has also affected us as purchasers of services etc. There is a major shift from talking about outputs and how we can robustly represent that. HACT published [‘Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach’](#) to show how to value the impact of what you do as organisations and this uses [Wellbeing Valuation Theory](#). Using large nationwide data sets to do econometric analysis we can observe how outcomes affect their social situations and place value on that. Robust values on a whole range of

issues that have been previously hard to capture is now possible. So it's not just about monetary values but on life experiences and satisfaction.

What does it all mean in 2016? How do we keep it relevant as a decision making tool? It's easy to think about social value in a non-pressured financial world and say look how good we are, but there is no hard questioning when trying to strip it all back. It was previously viewed as a tool in close connection to community investment, but Housing Associations are much more complicated than that. They need to look at the context of the wider business. Community investment may not be the primary driver of the business. Utilising social value across the business will help inform strategic direction and financial allocation.

Are we leveraging social value in everything we do? How can we lever our expertise into other areas of the business – procurement, housing management or development. HACT aims to create a much larger resource for the sector and is building up the Social Value Bank and publishing new values in areas such as core housing activity.

How can we place a business value on activities we have previously regarded as social - can we show a business return to our bottom line? Are there follow on impacts on rent arrears, repairs and can we put a value on that? What does it mean to be a values driven Housing Association in 2016? We will need to explain that internally and externally if we are to work within this rapidly changing environment. Now more than ever, we need to represent a reason for what we are doing and how we redefine ourselves over the next 5 years.

Social value as a driver of efficiency and value for money

Stephanie Harrison, Executive Director at Regenda Group

A lot has changed in a week since submitting the presentation. With the board meeting being held several days ago - we were advised we need to approach it as dragons den pitch. Facts and figures, profits focus. First question posed at the start of the day was 'What's your purpose as board members?' The running theme was that they are doing it for social value. They want us to make a difference. If you're committed to your communities, remember why you're in business and what you're doing it for.

Regenda wasn't always strong on the community front until a few years ago. Times got tough and a lot of change has happened. The harder it gets, the harder we have to try and deliver to their needs. We need to encourage that people can bounce back following the knock backs. There are still obligations on core income, but it's the quality of the service that stands out - where we can help the customers and what matters to them.

Measuring social impact is important. We didn't used to think so and didn't see the importance of it. We have been on a journey for four and half years where we can prove the impact we've made. Not just for key projects but also for the core business as well.

Social value outcome framework. This was Initially linked to some regeneration work and we spent a lot of time talking to clever people about what makes a place successful and how can we make it happen. Oldham estate example - what is your vision for the area? There was not a massive response - so how are we going to take this, what approach? We brought in a social enterprise who trained the residents to talk to the communities about what they wanted. Asking questions like

'what makes you feel good about living here and what can we build on? What don't you like?' Then we came up with a plan from this and worked with the local authority to make it happen. Going in with the wellbeing angle, there was worry that people would complain about ailments, but instead people spoke about pride and enthusiasm for the neighbourhood. It really hit on tapping into communities.

We haven't got the income we had - what are we going to do? We need to make efficiencies with a heavy heart. Who's going to help me fulfil our organisation's purpose? We built 30 units on Limehurst to the specification requested by the community. We partnered with Keepmoat who are going to build houses on that estate and keep it growing and invest in sports facilities. Opportunities for young people. You need to find partners to help you with your vision. You need to be creative and different and harnessing the energy of your communities. We have big suppliers, for example, Travis Perkins, who provided the funds for a local project and we can measure the outcomes. Be brave about approaching suppliers, you need to be hard-nosed.

You need to embed social value within the organisation culture. When the whole organisation supports it you can run with it. Austerity spurred me on to do this. We need to support our communities through it.

In conclusion, recognise the value of the work you do. Regeneration is about value for money. It does need to be measured, it doesn't matter if some don't care, others do. You have to put yourself out there and fostering new relationships. It's not easy but you need to do it. Social value is a critical part of what my board want me to deliver. It will be bigger and bolder with their support. It's an exciting year ahead.

Morning breakout sessions

Delivering Social Value through Development

James Williams, Regeneration Leader, Symphony Group

Carole Wildman, Corporate Director Growth, Walsall Housing Group

There is considerable opportunity to drive social value through development. This is a significant area of business for many housing associations working with both communities and suppliers. An important question for development is 'do you know the difference you are going to make in the communities where you are developing?'

The key to making this happen is a coherent social value and procurement framework. Procurement teams don't always understand the power that they hold and how they can drive social value. It is important that social value plans outline what they expect from different contracts and that community investment teams are involved throughout the procurement process. There needs to be flexibility within procurement so contractors of all sizes can play their role, and we need to look beyond apprenticeships to other types of activity that can deliver social value.

Accountability and visibility about social value is important for all involved. There is also a role for Boards and Executive Teams in leading social value within the business. HACT is currently leading a project to co-create a social value and procurement framework. A potential new area of work could be for HACT to develop an approach to understanding and measuring the social value that is created

through development. New communities are created and existing ones transformed through development, how we understand this is important.

Integrated financial and social impact accounts

John Maddocks, Technical Manager, Third Sector Commissioning and Sustainability at CIPFA

If we're able to put a monetary value on social impact, are we willing to compare it with the bottom line captured in traditional financial accounting? John Maddocks of CIPFA was there to provide the answer. However, it soon became clear that far from an answer, the only certainty is that in reporting social value with traditional accounts, a heavy dose of scepticism and caution is required. There are a vast number of approaches to reporting on social value, all of which fall short of satisfying the need to speak to all stakeholders and setting a criteria for the evidence that sits behind the figures. In many cases, these different approaches create confusion by using the same terms in subtly different ways, or demanding total adoption.

There are some movements mentioned looking to clarify these issues. GECES was a recent European initiative that looked at developing a methodology for measuring the social impact of social enterprises. The resulting report highlights the need for a common approach to disclosing and defining outcomes and impact measurement. HACT have recently produced [standards of evidence](#) for housing and a discussion paper looking at the different forms of value that might form part of an integrated account. Of most interest was recent developments in Integrated Reporting (IR). The goal of IR is to provide a more balanced and connected explanation of an organisation's ability to create and sustain value. It draws on a variety of sources and approaches including existing financial reporting, narrative reporting, governance and sustainability reporting. The potential benefits being improved effectiveness and efficiency through a more complete understanding of resource use, activities, outcomes and impacts. This could prove a useful tool in furthering better understanding of 'social value' in housing.

Social value in procurement

Mathew Baxter, Managing Director, Echelon Consultancy

Andy Brewin, Business Manager, Social Value and Social Housing, AzkoNobel

Integrating social value in the procurement process presents a number of challenges, but also offers another way to drive the generation of social value through the whole business in times when community investment budgets are under increasing pressure. For housing providers, understanding what to ask for in the early stages of the procurement process is vital – how social value is defined and how priorities are communicated – but they also need to understand how to measure it. It is equally important for the supply chain to understand how to align their expertise with the priorities of their clients. Mathew and Andy covered a number of these challenges and talked about potential solutions, offering specific examples where social value has successfully been integrated into the procurement process, and providing some clear recommendations.

Further challenges remain; speakers highlighted the question of how the cost of social value components can be included within bids to offer transparency on value for money and enabling clients to assess bids, whilst also recognizing that the cost of delivery is not necessarily the same as

the costs passed on to the client. HACT is working with Echelon and Trowers & Hamblins to deliver a new, end-to-end framework for procurement and social value. (If you're interested in hearing more, visit <http://www.hact.org.uk/procurement-framework> or contact mary-kathryn.rallings@hact.org.uk.)

Using social value to inform community development

Dawn Clark, Community Project Manager, from Your Housing Group
Jayne Entwistle, Head of Social Investment, from Great places

Both speakers provided great insight into using social value to inform community development. Both Jayne and Dawn explained why the decisions were made to build social value measurement into the community development work. Highlighted among the most important driving factors were that (i) social value measurement complements the other forms of impact measurement used within the business; (ii) enables the business to demonstrate impact to funders and stakeholders; and (iii) identify areas of investment that deliver greatest returns thus informing investment decisions.

Although Dawn and Jayne are at different stages of embedding social value measurement with community development it was clear that they agreed in a phased approach recommending gradual implementation and lots of testing. For example, at Your Housing group, Dawn initially piloted social value measurement with five key projects. By applying social value measurement in this way both organisations have been able to better plan their community development activities as the process has highlighted projects that generate social value, justified resource allocation with a focus on projects that have the greatest impact, and identified those projects that would be better delivered by partner organisation either via referral or through procured services.

Afternoon breakout sessions

Preparing your social value accounts for your Value for Money Statement – Summary.

Mary Whitfield, Head of Social Impact, Viridian
Jamie Dickinson, Head of Social Value, Places for People

Measuring social value and bringing this into Value for Money statements is a relatively new discipline. Many housing associations are at the early stages of doing this and over time are developing ways to make it happen. A golden thread about social value should run throughout Value for Money statements, Annual Reports, CSR/Community Investment reports. However this is not always the case and it is a developing science.

Preparing the actual accounts is a relatively straight forward process, it is what lies behind it that is more complicated. Implementing new measurement systems is not always straightforward and can often be met with resistance from over-stretched frontline staff. So some compromises are needed about what data to collect and what to report on. Over time, more data can be collected and fed into the accounts.

Communicating what social value accounts mean and what benefits they bring are important. Consideration needs to be given to how we communicate social value to customers. Often large numbers seem daunting and meaningless so using case studies about how people have benefited can

be useful. But what is important is that the measurement is rigorous, transparent, auditable, and meaningful. [HACT can help organisations with this and putting in place the right kinds of systems.](#) This is an emerging field of understanding and over time, it will be used to inform decisions. Procurement is an area where further work is urgently needed.

Social value surgery

Mark Roberts, Social Value Adviser at HACT

David King, Social Value Adviser at HACT

The ambition of social impact measurement is vast. Capture all the social benefits of a project, with the social costs netted off and report it to increasingly critical audiences. At the social value surgery, Mark Roberts and David King of HACT heard about some of the big challenges facing users, covering everything from practical issues, all the way to explaining why social value is useful.

Valuing projects that have already happened, potentially without appropriate data

To enable organisations to begin measuring social value and reporting on their impact, in the first year, HACT have provided guidance on retrospective measurement. If you have been collecting a register of attendance for the projects, programmes, or training that you have provided it may be possible to apply the Social Value Bank values that require evidence of attendance. Using this approach you will be able to claim the full amount of value. However, if you do not have accurate records or are attempting to claim value based on questions that you have asked of participants, where these questions are not those stipulated in the Guidance, it is recommended that you adopt a conservative approach by adopting the unknown value (please see associated guidance and practice notes).

If you wish to apply the values based on data previously collected using questions that are very close to the survey questions but not exactly the same, you can do so as a transitional measure, but must be completely clear about any assumptions made in your 'Notes'. You must make the reader fully aware that your social impact assessment does not follow the method defined in *Measuring the Social Impact* and you should use the exact wording in your data collection in the future.

For the most part, applying the values to your own data will be least problematic when the outcome is a simple binary outcome, such as employment, that has not been created based on a redefinition of a response scale. Here, definitions of the outcomes in the national datasets are likely to match closely with standard or lay definitions.

The tweaks that are made to suit each intervention or strategy may be obvious internally, but will not be understood when presented externally. In order to produce credible social value reports, it is important to detail every deviation that has been made from the model detailed in [Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach.](#)

It is not appropriate to use this approach beyond the first year. It is recommended that you use your first year reporting to build your knowledge and understanding of the approach, using the time to develop a plan to embed the approach as outlined in the guidance.

Reporting social value with partners

If you are working in partnership you must not attempt to attribute outcomes to each partner or funder as it is unlikely to be as simple as claiming the proportion of social impact to costs. For

example, your funding may have made the project possible. Instead, acknowledge where an activity is partnership funded and state this clearly. Attempt to gather the costs that each partner has imputed and report the total cost against the total social value generated clearly stating what your input has been.

What happens when there's no value in the social value bank for what you're trying to do?

We have values to cover the main areas of community investment, but there are gaps where there is not yet an associated value; for instance, opening a bank account or work experience. These outputs may ultimately lead to outcomes that do have an available value (e.g. financial comfort and moving into employment, respectively) and the surveys may reveal as much over the year.

You should not disregard results of activities simply because there is not an associated value in the bank. If you have results that do not have a value, such as number of people opening a bank account, we suggest you report these outputs alongside your social impact results. These should typically be reported as headcounts; you should not normally place monetary values on them using proxies derived with incompatible methods.

Assessing the counterfactual. When can anecdotal or other strategic sources of information like government open-data be sufficient to not apply the values (example given was sending people already likely to get a job to contractors)

Calculating the lasting benefits of a project (thing that made most sense was capital investment - why is it OK to think of benefits in future years for that and not for finding employment?)

Can evidence and social value reporting ever trump the formal political system? (pledges made by councillors for asset management)

What are the do's and don't of social impact measurement and reporting, advice for a beginner.

When first embarking on social value measurement try a phased approach. Begin by measuring the impact of a small number of key areas of work. It is recommended that selected outcomes should be closely aligned with programme/project aims, objectives or KPIs. Doing so will make it easier to communicate the value of a project and focus resources available on making the biggest impact. If projects have clearly defined aims, objectives and outcomes, decision-makers will see the social value a particular intervention is projected to achieve and may be more likely to offer support. When social value is reported, careful selection of outcomes at the outset will help mitigate potential criticisms of 'over-claiming'.

What is the most appropriate amount of resource/time to spend on measurement?

A lot will depend on the scale, complexity, length and focus of your activity. Measurement can be made significantly less resource intensive if you plan from the outset. Identify the change you aim to achieve and understand the outcomes and outputs necessary to achieve you're this aim. Then invest a little resource to set up mechanisms to collect data at the appropriate time and from the appropriate people. A good way to keep costs down is to collect as much data as possible in-house.

Do not view impact measurement as an unhelpful add-on, instead build it into your day-to-day processes. Don't make more work for yourself instead identify points during which you already have contact with participants and build survey questions into the data collection you currently conduct.

Integrating social value into client management systems

Mel Rushton, Business Process and Improvement Manager, Places for People

Holly Carr, Business Development Director, ECCO

Most housing providers have a myriad of internal systems that store data about their properties and their tenants. Often, care and support services require additional systems to hold client data, assess needs, track progress and record outcomes. Places for People has a substantial care and support arm and needed a way to do all of this, plus measure the social value generated by care and support services. Places for People, ECCO and HACT have teamed up to create a system that responds directly to this need.

ECCO (evidenced client centred outcomes) is a web-based system that is designed to record and report on the delivery of care and support services. It enables a needs assessment that aligns with 'Smart Steps' and outcomes that are tailored to each housing provider (or other service provider). HACT's Wellbeing Valuation Approach is being integrated into the ECCO system to provide Places for People with an auditable system, with as many functions as possible automated. For example, once a needs assessment is complete, the system automatically prompts for the data collection necessary to track progress only on the outcomes that map to Smart Steps. The possibilities don't stop with care and support, though – Places for People is interested in exploring whether similar systems could be linked throughout the business to enable integrated CRM and social value reporting. (If you're interested in learning more about how this could work for you, contact mark.roberts@hact.org.uk or roy@eccosolutions.co.uk.)

Communicating social value

Elanor Warwick, Head of Research at Affinity Sutton

Samantha Grainger, Corporate Social Responsibility Manager at Thirteen Group

Many housing associations are very early on in their social value implementation and communicating it is a challenge. Being clear about purpose is important, particularly when there is a lot going on. HACT's approach to Social Value is easy to explain and easy to pick up, which is useful. Contractors and local authorities are eager to use it as well. Thirteen have run some trials on social value activities, engaging with the Employability Support and Inclusion teams about what they thought was important to measure.

Affinity Sutton asked how you 'sell happiness as an idea'. To do this you need to understand what the drivers are, internal and external. Along with the Social Value Act, there is an understanding within the organisation that we need to do it. We need to piece together all the things we do to bring some common ground for communication purposes.

Affinity Sutton started within community investment and got involved with HACT for the original wellbeing valuation report. Some of the values were surprising and starting to talk through those was a useful part of the process. How do you make the values and the toolkit meaningful? That was the harder part. How are we going to make comparisons between benefits and costs?

First financial reporting happened in 2013, you need to get it to the finance director – it's really important to get them on board. Put together a social value 'score card' and social value outcomes.

It's an easy ways to demonstrate the facts and figures. Get a global figure that you can take to the finance team and say keep investing in us. 'Leverage figure'. How much return for £1 spent? Value for money reporting needs to be simple. When approaching the Procurement team – it is hard team to crack, so you need to give some consistent measurements that you can build from. Understand each teams drivers

Positives of HACT tool are that is it straight forward, can be applied flexibly across different activities. Doesn't cost anything to try it. Encouragement from government use and other peer use. Limitations of it is that you can generate a value for everything, lots of factors influence wellbeing, it's just a proxy. You need to be careful about how we talk about these figures.

Afternoon plenary

Wellbeing beyond housing

Nancy Hey, Director at What Works Centre for Wellbeing

The world is watching what we are doing on wellbeing. The What Works Centre for Wellbeing aims to improve the wellbeing of the people in the UK by bringing together the best evidence, making it easy to use and easier to make.

They are currently building an initial evidence programme that will look at what we already know. But a key question is 'what defines wellbeing?' A quick Google search returns models and positive experiences, importance of money, health, relationships, etc. What seems important however, is that is more to life than GDP and economics – everything else that makes life worthwhile.

Our relationship with money is complicated. Generally richer people are happier but being a richer country doesn't make us happier. Since recession life satisfaction has grown.

We measure wellbeing on a national scale. Discussion on what makes you feel happier. A wide variety of things make us happy. Being happy makes you healthier in general and live longer. More productive and more creative. Improved personal and social implications. Being happy is important. Adult emotional help is very important.

Looking to look at the relative impact of wellbeing and its associated cost. Be a bridge between the knowledge and the implementation.

We need to establish what works. This audience is exciting as so engaged already. Large scale trials are required. Can results been shown repeatedly and can the projects be scaled. The What Works Centre has commissioned a review of the evidence about wellbeing and housing. This is being undertaken by the University of Sheffield and HACT are involved in an advisory capacity.

Social value and housing – where next? *Matthew Gardiner, CEO, Trafford Housing Trust*

Social value is the right thing now at the right time.

China exporting deflation around the world, floods and growing poverty. The economic and social is under significant threat. We need to wake up and see that.

Some Housing Associations want to leave the scene to become property developers. That leaves more room for us.

Social value can't be about spending more money. It needs to be about spending less. The job is difficult and about aligning the entire business resources to this objective.

THT now defined as a collection of social enterprises. The focus is on where people are able to make the maximum contribution to society.

People are still treating social value as a bolt on to the main business but real prize when it is all aligned to social, economic values.

It's a business proposition. It is NOT soft and fluffy. You need to use data, stats attainment employment etc. You need to be a master of that data. Unless you understand the data you can't target your interventions. It's not everything though. You need community intelligence. It's vital to ensure that the interventions are as targeted as they can be. Trialling new types of intervention and there is the technology to do that.

IMPACT - do what you're good at and drives you. Don't do the stuff that doesn't. For example the employment project for THT, they weren't good at it, only 5 people through process. So where I am doing the most good to obtain the maximum from a given resource?

THT financial, environmental, and social strategies are the most important. It is not a CSR add on, it is all at the core of the business. CSR Initiatives off the back off good intentions are misguided. It has to be driving the purpose and the profit of the business.

The obligation that we have about spreading the word. To other suppliers, contractors and the private sector. Social value is a hard edged thing. Have had some successes. One of the hardest partners to talk to is the local authorities.

Leadership. Who on your board is the advocate for social value? Where does the leadership of this work sit? Do we invest in the right skills for people who take forward the social value work to get the highest level of intelligence within the organisation?

THT plan is that within 5 years we will have a complete supply chain that has social value delivery at the heart of our business. How we use our supply chain is really important for the future of social value. Look at the aspirations of young people entering the workplace. They want meaning and they expect their life to be dominated by these questions. You want the best talent to take your organisation forward, we have to do it now.