



Make it impactful: the future of social value and assurance

June 2024

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This white paper has been produced in partnership with Forvis Mazars. Forvis Mazars is a leading global professional services network operating under a single brand with just two members: Forvis Mazars LLP in the United States and Forvis Mazars Group SC, an internationally integrated partnership operating in over 100 countries and territories. Forvis Mazars in the UK spans 14 offices across the nation and has over 3,300 professionals, with 170 partners.

Executive summary

The social value sector is still relatively young and immature. Those working in the sector recognise that there are issues about credibility, about veracity and about how it is sometimes used primarily as a public relations tool. For social value to be truly valuable, we need to raise it out of the numbers game, set aside the glossy reports and think about how we can incorporate non-financial reporting into business decision-making.

Assurance can play a critical role in overcoming this credibility gap. To achieve this, we need to be ambitious, evolving the use of social value and wider non-financial reporting into genuine business critical information so that it can be used on a par to financial information.

Too often, however, we see these disclosures and reports displayed as a return on investment, to reflect the financial focus that organisations have within their decision-making processes. Without the required consistency, evidence, and assurance processes, this approach will not be enough to deliver this ambition.

The controls that organisations have in place around their financial disclosures such as annual accounts are evidenced with rigour internally, as required by investors and regulators. We need to develop the same approach to our non-financial reporting.

If we get it right, there are multiple potential benefits from social value assurance:

- confidence that the reported information can be relied upon
- inform business decision-making
- increase trust and credibility
- avoid potential legal and regulatory consequences
- improve stakeholder satisfaction
- secure funding, at preferential rates
- provide assurance of the procurement process

The assurance of social value in procurement is needed at all stages. For major multi-million pound contracts in areas such as regeneration, construction, asset management, and facilities management, this is even more crucial. Contracts can be won or lost on a social value offer, particularly when weighted at 10% plus.

An option to resolve this could be to look to the expertise and discipline of Quantity Surveying as a key way to cost a robust social value programme and also ensure it meets contractual and quality standards. We might also start to put abnormally high social value offers under scrutiny in the same way we would when assessing an abnormally low price.

Greater transparency and assurance in these areas would go some way to alleviate the doubts that exist around how sustainable social value programmes are, and whether the social value offers and credentials of bidding organisations are robust.

Our vision is that social value – alongside other non-financial reporting – is part of a verified and recognised assurance process by 2028. We know that this will take time to establish and there will be some challenges along the way. We want to achieve this vision with practitioners, professionals and partners from across the social value sector – and beyond.

As a starting point, working alongside Forvis Mazars, we have developed a roadmap to assurance readiness for organisations to follow:

Subject matter and criteria:

- Establish the social value information that you want to assure – organisations need to establish their own golden loop of social value, building on the theory of change that they have developed.
- Map your social value against current reporting requirements.
- Consider how it will be reported in line with your organisational KPIs.

Executive summary continued

Information governance:

- Assign a senior executive to have oversight of your social value information.

- Establish which teams are responsible for collating social value information and how frequently they report to the senior executive with oversight.

Processes and controls:

- Implement processes for the effective collation, storing and monitoring of social value data, as well as monitoring changes in the criteria against which it will be assured.

- Assign responsibility for maintaining these controls.

- Clearly document the processes and controls in place.

Evidence collation:

- Establish how the evidence for each social value metric will be collated.

- Collate it in a format or through a platform that can be easily delivered to or accessed by the assurance provider.

Assurance provider:

- Liaise with the assurance provider about their expectations, evidence requirements and timelines.

- Ensure alignment on the type and quality of evidence to be provided at the outset of the engagement.

Where organisations can implement these steps early, they will be ahead of the curve and it will be easier for them to adapt when new legislation or regulations are introduced. We will continue to develop social value solutions for the built environment and local partners that meet the evolving needs and challenges faced by organisations operating in these areas.

By taking the steps set out in this paper and demonstrating its commitment to assurance, the sector can demonstrate that it supports the view that social value can deliver long-term transformational impact within our communities, at a time when it is needed more than ever.



1. Introduction

In September 2020, HACT launched a roadmap for the future of social value across social housing and the wider built environment in the UK. The purpose of the roadmap was to enable the sector to use social value information to improve services, enhance decision-making and increase its transformational long-term impact.

Designed in collaboration with over fifty organisations, including housing associations, developers, funders and the wider supply chain, the roadmap set out a three-stage approach. The first stage involved re-evaluating and expanding the metrics in the UK Social Value Bank. The second resulted in the creation of Social Value Insight, an online tool that enables organisations to model, monitor and measure their social impact.

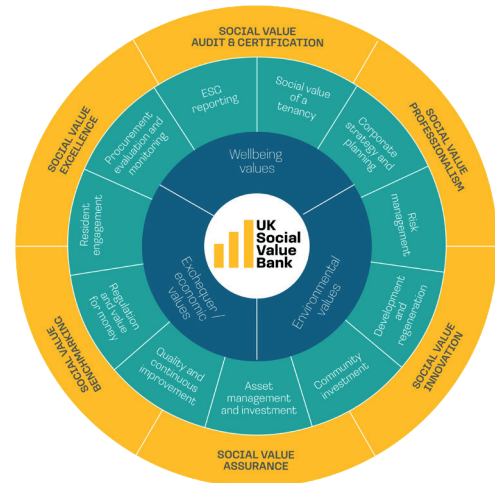
The third stage of the roadmap is looking at how we can collectively mature and develop excellence in social value practice: this includes professionalism, innovation and, critically, assurance. Organisations across and beyond the built environment are not only using social value to measure the social impact of their activities but are also being asked to demonstrate their social value credentials.

These demands are happening in lots of ways – through social impact assessments, ESG reporting, social value elements of procurement or commissioning, as well as sustainability linked loans.¹ As one of the housing association social value specialists interviewed for this white paper noted, “the question we get asked from our Board is, those figures look great, but how can you provide us with assurance that it’s a fair and representative figure of what we’ve actually delivered?”²

The social value sector is still relatively young and immature. Those working in the sector recognise that there are issues

1 Social housing debt investment is estimated to reach £120 billion by 2026 (UK Social Housing Borrowing 2024, S&P Global, March 2024)

2 Similarly, Capsticks – one of the leading legal firms working with the social housing sector – noted that at a financial conference in 2024, “funders expressed concerns about certain RPs making weak claims for social impact which wasn’t supported by data”. (see <https://www.capsticks.com/insights/social-housing-finance-conference-2024-the-key-messages>)



about credibility, about veracity and about how it is still used primarily as a public relations tool or as a means of winning business. If social value is to have meaning, if it is to deliver long-term transformational impact, the sector needs to be able to validate the social value it claims to be creating and demonstrate how this information is being used to improve business decision-making, strategy and delivery.

Assurance can play a critical role in overcoming this credibility gap. It will not happen overnight, and it will be challenging. Social value is at a crossroads. If we do not take this step and deliver on an assurance roadmap, the danger is that social value will be perceived as little more than a box-ticking exercise.

As Jeremy Nicholls noted in his report on the future of social value:

“We need to allocate our scarce resources based on the value that is being created for society, accounting for the consequences for the wellbeing of people and planet from the use of those resources.”³

Assurance enables users to make informed business decisions so they can deliver long-term transformational impact within our communities.

3 Social Value 2032: the future of social value in the United Kingdom, Jeremy Nicholls, p25

2. The state of social value

According to Social Value UK, social value is “the quantification of the relative importance that people place on the changes they experience in their lives”.⁴ Or, to put it even more succinctly, “wellbeing (human) in the short and long term”.⁵

Across the public, charitable and commercial sectors, interest in social value has grown over the past two decades for three reasons:

- **Legislation** – along with the Social Value Act (2012) and the Social Value In Government Contracts government procurement notice, central government departments, executive agencies, local authorities and non-departmental public bodies are either required to consider social value or mandated to include a minimum weighting of 10% for social value within the procurement of goods and services.
- **Commercial** – with increasing pressure from funders, shareholders and other stakeholders, being able to demonstrate the social impact you make as a commercial organisation has become increasingly necessary. Simultaneously, the need for commercial organisations to respond to public procurement tenders to demonstrate an understanding and application of social value has also driven awareness across the commercial sector.
- **Charitable** – being able to demonstrate the social impact of their work has resulted in charities – and we include housing associations in this context – being some of the leading proponents of social value measurement. The first iteration of the UK Social Value Bank in 2014 emerged as a result of a group of housing associations working with HACT to create a consistent, robust methodology that would enable them to measure their social impact.⁶

The importance of wellbeing

Since the launch of the Social Value Act in 2012, and subsequent legislation and regulation in Scotland, Wales, and Northern Ireland,⁷ there have been a number of methodologies developed that enabled organisations to measure the social impact of their activities. As well as the UK Social Value Bank, the other leading methodology provider is Social Value Portal, whose National TOMs were launched in 2017 and are used across local authorities and built environment organisations.⁸

Since the review of the Social Value Act in 2015, “there has also been considerable convergence amongst the main international approaches” including a British Standard (BS8950), Social Value International’s principles on social value, the UNDP’s SDG Impact Standards and a management platform hosted by OECD and UNEP.⁹ As Jeremy Nicholls notes, “there is increasing convergence on well-being as being the thread that links all these approaches”.¹⁰

Wellbeing valuation has now been endorsed within HM Treasury’s Green Book as one of recommended valuation methods for calculating the value of non-market goods. The supplementary guidance produced in 2021 includes guidance on quantifying and monetising wellbeing effects, including the use of stated preference, revealed preference and wellbeing research approaches.¹¹

The incorporation of wellbeing – and specifically the unit of social value, the WELLBY – allows for a people-centric approach to policy making. It enables organisations to base their decisions on what elements of people’s experience really influences their quality of life. As a consequence of the creation of the WELLBY, a number of new social value methodologies were launched in the market. It is difficult to gauge how embedded this unit of measurement is across

4 See <https://socialvalueuk.org/what-is-social-value/>

5 Jeremy Nicholls, op cit, p5

6 Since its launch in 2014, the UK Social Value Bank has been consistently expanded and re-evaluated. In 2022, the fifth iteration of the UK Social Value Bank was launched. The sixth iteration is scheduled for 2024.

7 See SPPN10/2020 in Scotland, the Wellbeing of Future Generations Act 2015 in Wales, and PPN 01/21 in Northern Ireland

8 <https://www.socialvalueportal.com/who-we-are>

9 Jeremy Nicholls, op cit, p13

10 *ibid*, p13

11 See: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005388/Wellbeing_guidance_for_appraisal_-_supplementary_Green_Book_guidance.pdf

2. The state of social value continued

some of these measurement approaches, because of commercial sensitivities.¹²

A perceived lack of standards around the range of available methodologies has resulted in confusion amongst users, particularly those who are responding to procurement opportunities that use competing methodologies. It has led to requests from some organisations within the built environment for a standardisation of methodologies. It has also resulted in increasing scepticism from some contractors, who view social value as little more than a tick box exercise:

“Many organisations have good intentions in including it and feel like it’s the right thing to do to include - but once it starts becoming too expensive then it very quickly falls down the list of priorities and influence. There is no accountability to deliver on social value and at the end of the day all tenders come down to price and reputation for delivery of the core requirements.”¹³

The focus on the numbers

Within a social housing context, there is a lack of clarity about who owns social value from a delivery and reporting perspective. Often it is designated to the same people, usually linked with community investment, sustainability or operational roles, rather than being embedded strategically from a Board or Executive level.

Without clear reporting lines, these non-financial disclosures are not used as critical indicators of progress. Instead, they tend to be used for public reporting, usually through impact or sustainability reports. In December 2023, for example, the G15 group of London’s largest housing associations published its annual community impact report, revealing that “members had contributed more than £500m in social value through a range of community projects”.¹⁴

¹² HACT has incorporated the WELLBY into the UK Social Value Bank.

¹³ Interview with Senior Bid Manager at UK-wide engineering consultancy.

¹⁴ <https://g15.london/news/g15-publishes-community-impact-report-2023>

Another interviewee told us that, “the ambiguous nature of social value over the last 10 or so years has troubled the commercial profit sector because they don’t understand how to communicate it”.¹⁵

Where there is not a transparent process and evidence base underpinning reporting, the fear is that there is too much focus purely on the numbers and how it looks on a glossy report. This only serves to undermine further the credibility of social value, while also putting contracts and reputations at risk.

The Golden Loop

In the absence of an organisational, strategic approach to social value, different teams can and often do use different methodologies to measure social value. Within procurement, tender submissions are often judged purely on the amount of social value that is being promised, rather than on whether this figure is realistic, achievable and based on the needs of the relevant local community.

And this is critical. HACT and others talk about the importance of long-term transformational impact, about the importance of the golden thread that links local needs to organisational activities to social value metrics.

Instead of thinking about a golden thread, however, we need to be thinking about the golden loop – how the social value metrics can then be used to inform future business decisions. If one activity in the community that was intended to improve local people’s sense of belonging to their neighbourhood has under-delivered its intended social value impact, then use this learning to redesign the activity, taking on board local needs and, ultimately improving outcomes for local people.

This golden loop (see illustration on page 8) can apply to everything the built environment delivers in this social value space. By understanding and being able to speak about the impact of your work, you can identify even better outcomes for residents and communities.

¹⁵ Interview with Director of Social Value at global technical services company

2. The state of social value continued



To demonstrate the impact and theory of change there is a need for sufficient and reliable evidence. For social value to be truly valuable, we need to raise it out of the numbers game, set aside the glossy reports and think about how we can incorporate non-financial reporting into business decision-making.¹⁶

We must be ambitious to evolve the use of social value and wider non-financial reporting into genuine business critical information so that it can be considered on a par to financial information. Too often, however, we see these disclosures and reports only displayed as a return on investment, to reflect the financial focus that organisations have within their decision-making processes. Without the required consistency, evidence, and assurance processes, this approach will not be enough to deliver this ambition.

The controls that organisations have in place around their financial disclosures such as annual accounts are evidenced with rigour internally, and subject to external audit. This is required by law, by investors and by regulators. We need to develop the same approach to our non-financial reporting. To move forward and provide this rigour, there is a significant role for better governance around how social value is understood, used, measured and embedded within organisations.

There is also a key role within organisations and the sector more generally to create clearer education and training pathways for practitioners and stakeholders such as boards and investors, in order to ensure fuller understanding and accountability as we look to professionalise social value across the UK.

We need a wider social value ecosystem that is aligned to its stakeholders, with consistent understanding of purpose, use of language and strong leadership. We need common standards and common approaches to reporting.

¹⁶ In his blog post in November 2022 entitled True and Fair?, Jeremy Nicholls noted that “the Philippines Human Rights Commission concluded that the world’s most polluting companies were morally and legally liable for the impacts of the climate crisis because they had engaged in willful obfuscation of climate science and obstructed efforts towards a global transition to clean energy”. The implication for business owners when it comes to non-financial reporting and responsibilities are clear.”

3. Assurance & social value

What is assurance

Stakeholders (i.e. investors, consumers, suppliers etc) need to be able to rely on information provided by an organisation in order for them to make appropriate decisions. Assurance can provide the required level of confidence in reported information through these independent assessments by assurance service providers over certain aspects of an organisation's information. A common example is the externally provided audit of the financial statements.

There is an increasing demand for third party verification of detailed non-financial sustainability reporting information. Assurance helps companies demonstrate the credibility of their reported environmental and social impact. This demand for assurance stems from:

- Consumers and investors selecting brands based on their ethical behaviour and sustainable practices.
- Increase in regulatory reporting requirements

Organisations need to provide transparent and trustworthy reporting information that has been independently assured.

Types of assurance

Assurance services can be split into two types: limited and reasonable.

Limited assurance is where the assurance practitioner will give a negative opinion or conclusion on whether a matter(s) has come to the practitioner's attention to cause them to believe the subject matter information is materially misstated i.e. whether there is a risk that the mis-information could influence key decisions made by stakeholders. The practitioner can, as a result, provide a level of assurance that is meaningful, increasing the confidence about the subject information to a degree that is clearly more than inconsequential.

Reasonable assurance provides a more in-depth look into an organisation's information. The opinion is typically expressed as a positive opinion. For example, "the subject matter is in accordance with (or based on) the criteria, in all material respects" and "the responsible party's assertion is fairly

stated in all material respects". The practitioner believes the evidence obtained is sufficient and appropriate to provide a reasonable basis for their opinion.

Non-financial reporting

Non-financial reporting standards are developing fastest on the international stage. The European Corporate Sustainability Reporting Directive (CSRD) has introduced an EU-wide requirement for assurance on sustainability information.¹⁷ Although the objective is to have a similar level of assurance for financial and non-financial reporting, the European Commission suggests starting with a "limited" assurance requirement, aiming for "reasonable" assurance at a later stage in a progressive approach.

One of the organisations driving change on the international stage is the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting body. Its proposed standard on sustainability assurance (ISSA 5000) is due to be launched in December 2024, with the aim of serving as:

*"a comprehensive, stand-alone standard suitable for limited and reasonable sustainability assurance engagements. It will apply to sustainability information reported across any sustainability topic and prepared under multiple frameworks. Moreover, the standard will be profession-agnostic, enabling its use by professional accountants and other professionals performing sustainability assurance engagements."*¹⁸

It is likely to become the standard for non-financial reporting and will probably be used for CSRD disclosures, although its enforcement will still be dependent on national jurisdictions. Its primary purpose is for the users of non-financial reporting statements.

¹⁷ https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

¹⁸ <https://www.iasplus.com/en-ca/projects/assurance/exposure-drafts/iaasb-development-of-an-overarching-standard-for-assurance-on-sustainability-reporting-research>

3. Assurance & social value continued

ISO has also developed a series of standards on the validation and verification of sustainability information, covering all types of sustainability information including ESG reporting.¹⁹ This specifies general principles and requirements for determining the categorisation of quantitative and qualitative information. These principles and requirements contribute to the set of rules and procedures that are provided in validation and verification programmes.

Many organisations in the UK use the UN Sustainable Development Goals to work towards common sustainability goals. Sustainability disclosures within the social housing sector are guided by reporting frameworks such as the Sustainability Reporting Standard (SRS).²⁰

The SRS covers twelve themes that relate to the business of social housing. Within each theme, there are a range of requirements including targets for green spaces and biodiversity, as well as tenant satisfaction survey results. Over 100 housing providers have now adopted the SRS.

Social value and assurance

With more organisations using social value as part of their procurement exercises, how organisations measure this social value is of increasing interest. It will cast a light on an organisation's governance, including internal decision making, the related KPIs, any sustainable loan agreements in place and external reporting.

Organisations still often report real challenges not only in collection of data to evidence social value outcomes, but also in the quality, analysis, management and usage of the data in their social value reporting. This can affect the accuracy, transparency, and impact of their reports. Assurance can assist in making organisations reflect on these areas and can drive them to adopt more robust data governance frameworks, invest in relevant technological platforms and systems, train staff, and improve stakeholder engagement to refine and enhance the effectiveness and credibility of their reporting.

¹⁹ <https://www.iso.org/developing-sustainably.html>

²⁰ <https://sustainabilityforhousing.org.uk>

Current approaches

In recent years, we have seen elements of social value being assured from a broad range of social, economic, and environmental impacts through to community well-being, economic equality and environmental sustainability.

As a result of this assurance, organisations have created social impact in the following areas:

- Economic impact: through job creation, local economic development, and reducing inequality.
- Social impact: enhancing quality of life, promoting social inclusion, and community engagement.
- Environmental impact: improving sustainable practices, reducing carbon footprints, and increasing conservation efforts.
- Health and wellbeing: improving public health outcomes, mental health support, and access to healthcare.

Social value reporting faces significant challenges across the UK around the perceived lack of standards and agreed frameworks to assure disclosures against. As a result of this, in 2017 Social Value International launched what it called an assurance standard.²¹ This is a framework used to check the Social Return On Investment calculations within reports. It does not include verification of stakeholder engagement, data or calculations.

HACT's approach to auditing and certification considers all elements of the golden thread of social value:

- Understanding local needs: is there data and evidence that outlines the needs of communities, with sufficient stakeholder engagement alongside a desktop review of existing local data?
- Model outcomes: is there a theory of change that aligns an organisation or project inputs, activities and outputs?

²¹ <https://www.socialvalueint.org/report-assurance>

3. Assurance & social value continued

- Monitor progress: is there sufficient evidence that outcomes have been achieved and clarity that they can be directly attributed to the modelled outcomes?
- Measure impact: where UK Social Value Bank metrics are applied, have all guidance been followed and do the processes and narrative support the measurement of outcomes and impact rather than activities and outputs?

In recent years HACT has verified social value calculations and reports across the built environment, including social housing, development and property services organisations. Morgan Sindall's social value reporting has been certified by HACT for three years. This has enabled them to speak about the impact they are making in communities in a meaningful and transparent manner. The feedback and recommendations that accompanied the certification has also informed decision-making.

HACT has verified SNG's social value calculations against the KPIs that have been included in their latest sustainability-linked loan. SNG set their own indicators and required external verification by HACT on the application of the UK Social Value Bank to the reported figures. This verification provided a level of assurance to the bank and enabled SNG to receive the agreed discount on the loan.

Similarly, Orbit's Board requested assurance on the figures reported as part of their sustainability-linked loan. The scope of this assurance involved reviewing all elements of the approach, methodology, application and delivery of the reported figures. This brought the approach in line with the Social Housing White Paper and The Regulator for Social Housing asking the sector for more robustness and transparency from their data. Orbit regard assurance as a foundational duty to not only report on the social value but to use the information on business activities to influence decision making, driving the right impact for customers.

A significant example of the use of certification and verification is in the Joint Venture between Hill and Poplar HARCA on the Teviot Estate Development. Having secured around £250m of social value over the 15 year life span

of the regeneration, HACT is undertaking an audit and certification of the social value created every 18 months. This involves reviewing performance against social value KPIs throughout the regeneration scheme and if an output shortfall is identified following audit, the Teviot Social Value Manager must prepare an action plan to Poplar HARCA and HACT within 20 working days setting out plans to rectify and a proposed timeframe or face a financial penalty.

This is a ground-breaking approach, using social value in such a long-term regeneration scheme. The scale of the commitment is significant, but so too are the contractors' commitments and accountabilities that have been written into the JV Agreement.

The benefits of assurance

Assurance can provide a level of confidence that the information reported can be relied upon (to a certain degree and based on level of assurance). It can help with improving the accuracy and quality of data and disclosures used in social value to avoid errors or misrepresentations. Assurance challenges an organisations processes and adds the element of external independent scrutiny to the reported information.

Other benefits include:

- Better decision-making: Reducing the risk of over-inflated social impact claims and inaccurate data can lead to stakeholders making better decisions based on the reported information, for example significant investment decisions.
- Increased trust and credibility: With much of social value reporting being used for marketing and fundraising and potentially being over-inflated, seeing assurance provided gives stakeholders (including customers, investors, and employees) a level of confidence regarding organisations reported social value.
- Improved reputation: Negative publicity resulting from unsubstantiated claims can cause long-term damage to an organisation's reputation, leading to a loss of business and support. Having assurance over your reported information shows that, in markets where

3. Assurance & social value continued

consumers and partners prioritise sustainability and social responsibility, your organisation is taking its social value claims seriously and this can place you at a competitive advantage.

- **Decreased opportunity for legal and regulatory consequences:** Misleading or unverified social value claims can lead to legal repercussions. Regulatory bodies may impose fines or sanctions if an organisation is found to be engaging in deceptive practices.
- **Stakeholder satisfaction:** Investors, customers, and partners who rely on your social value claims to make decisions will have confidence in them. This can lead to an increase in investments, sales, and opportunities for partnerships.
- **Increased funding opportunities:** Investors and financial institutions are increasingly considering environmental, social, and governance (ESG) factors in their decision-making processes. Assured claims can make it easier to secure funding from these sources.
- **Financial gains:** Resources that might have been spent on a combination of legal fees, loss of business, and efforts to rebuild trust and reputation can instead be saved or allocated to other initiatives.

Assuring social value in procurement

Proposals made through procurement are becoming more important for winning contracts. Organisations are designing increasingly creative and ambitious programmes. Whilst this is to be welcomed, it does raise important questions about the feasibility and deliverability of the programmes themselves. Are they rooted in the needs and wants of local people? Are they well costed? And most importantly, are offers driven through into contract, delivered and performance managed?

The assurance of social value in procurement is therefore needed at all stages. For major multi-million pound contracts in areas such as regeneration, construction, asset

management, and facilities management, this is even more crucial. Contracts can be won or lost on a social value offer, particularly when weighted at 10% plus.

An option to resolve this could be to look to the expertise and discipline of Quantity Surveying as a key way to cost a robust social value programme and also ensure it meets contractual and quality standards. We might also start to put abnormally high social value offers under scrutiny in the same way we would when assessing an abnormally low price.

Greater transparency and assurance in these areas would go some way to alleviate the doubts that exist around how sustainable social value programmes are and whether the social value offers and credentials of bidding organisations are robust.

4. Next steps: a roadmap for social value assurance

Our vision

Our vision is that social value – alongside other non-financial reporting – is part of a verified and recognised assurance process by 2028. We know that this will take time to establish and there will be some challenges along the way. We want to achieve this vision with practitioners, professionals and partners from across the social value sector – and beyond.

Together we can create a framework that delivers the assurance, confidence and trust in social value, so that it can be used not only to report on the results of an organisation’s impact, but also as part of its business decision-making and strategic planning.

A roadmap to readiness

To ensure organisations are on the pathway to assurance, standards should be applied to ensure the use of social value approaches and methodologies that accord with the eight principles of social value.²² Organisations will need to embed those principles of social value is considered at every part of the planning and decision making process, built on data and processes that have been internally audited and externally verified.

In all elements of assurance this will involve triangulating different pieces of information to understand how well the organisation is delivering upon any given subject area or disclosure, financial or otherwise. Good assurance should provide continuous learning for an organisation, as is not about only verifying numbers, but focusing on how these numbers have been produced, with recommendations how to improve both controls and processes.

Working alongside Forvis Mazars, we have developed a roadmap to assurance readiness for organisations to follow.

This roadmap provides a simple guide for organisations to take the following steps:

Subject matter and criteria:

- Establish the social value information that you want to assure – organisations need to establish their own golden loop of social value, building on the theory of change that they have developed.

- Map your social value against current reporting requirements.

- Consider how it will be reported in line with your organisational KPIs.

Information governance:

- Assign a senior executive to have oversight of your social value information.

- Establish which teams are responsible for collating social value information and how frequently they report to the senior executive with oversight.

Processes and controls:

- Implement processes for the effective collation, storing and monitoring of social value data, as well as monitoring changes in the criteria against which it will be assured.

- Assign responsibility for maintaining these controls.

- Clearly document the processes and controls in place.

22 <https://www.socialvalueint.org/principles>



4. Next steps: a roadmap for social value assurance continued

Evidence collation:

- Establish how the evidence for each social value metric will be collated.

- Collate it in a format or through a platform that can be easily delivered to or accessed by the assurance provider.

Assurance provider:

- Liaise with the assurance provider about their expectations, evidence requirements and timelines.

- Ensure alignment on the type and quality of evidence to be provided at the outset of the engagement.

Where organisations can implement these steps early, they will be ahead of the curve. In other words, if you can start to take these steps on the roadmap on your own and embed them within your organisation, it will be easier to adapt once legislation is introduced.

As legislation and standards emerge, it is key that the foundations of social value reporting are laid to support greater understanding, trust and usage of wider non-financial disclosures. As part of the Social Value Roadmap, HACT and Forvis Mazars will continue to develop social value solutions for the built environment and local partners in order to meet the evolving needs and challenges faced by organisations operating in these areas.

By taking the steps set out in this paper and demonstrating its commitment to assurance, the sector can demonstrate that it supports the view that social value can deliver long-term transformational impact within our communities, at a time when it is needed more than ever.

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This white paper has been produced in collaboration with Forvis Mazars and has been informed by interviews with stakeholders from across the social value sector.

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- Rebecca Rees (Head of Public Procurement, Trowers & Hamlins)
- Russell Smith (Social Sustainability Lead, Orbit)
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