

NEW APPROACHES



JANUARY 2015

TO DELIVERING SOCIAL VALUE

Supporting organisations to
pioneer new ways of working
and review current and
emerging practice



WHY NOW? / WHAT ARE OTHERS DOING? / GETTING IT RIGHT

Some key terms used in this briefing

social value

the wider non-financial impacts of programmes, organisations and projects, especially on the wellbeing of individuals and communities and of the environment

social return on investment (SROI)

the value of the social, economic and environmental outcomes created by an activity or an organisation

social impact

the effect of an activity on the social fabric of the community and wellbeing of individuals and families

social enterprise

businesses that trade for a social purpose, eg to tackle social problems, improve communities, people's life chances or the environment

outcomes

the specific changes a project/programme/activity brings about for its beneficiaries/users, eg better health, as measured in reduced GP visits

outputs

the tangible and visible products/services resulting from our activities, eg houses built, jobs created

counterfactual

asks the question 'what would have happened if we hadn't launched this project/scheme?'

causality

asks the question 'how much was the change due to your organisation and how much to the work of other agencies operating independently?'

additionality

asks the question 'how much of the difference that is achieved (increase in jobs, improved health, etc.) is as a result of what you did?'

About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals with the advice, support and knowledge they need to be brilliant.

CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing industry. We have a diverse and growing membership of more than 22,000 people who work in both the public and private sectors, in 20 countries on five continents across the world.

Find out more at: www.cih.org

What is this all about?

Housing associations and local authorities are called ‘social’ landlords for an obvious reason: they exist to do more than just provide housing and to balance their accounts or make a financial surplus. But what does ‘social’ mean and when we talk about doing ‘more’ than provide housing what does this involve? If we want to show the value of the ‘extra’ that we provide, we need a clear idea of what it is and work out ways to measure it.

This briefing has three main sections:

- The first asks **why should you be thinking about your approach to social value?** It considers why demonstrating and delivering social value is important and how it can support a range of different business objectives
- The second section asks **what are others doing?** It explores how organisations have embedded social value into their overall approach
- The final section asks **how do you make sure you get it right?** It sets out the questions that you should consider when developing your approach.

What do we mean by ‘social value’?

It is very easy to find lengthy definitions of ‘social value’, but a simple one is that it means:

The wider non-financial impacts of programmes, organisations and projects, especially on the wellbeing of individuals and communities and of the environment.

These are often called ‘soft’ outcomes because they are difficult to quantify and measure. This poses a problem for those wanting to assess their effectiveness – be they the providers of the activity, the commissioners of the activity, funders, users or government. Outcomes that cannot be quantified cannot be counted, evaluated or compared. This is why measuring social value by putting quantifiable values on these soft outcomes is a useful thing to do.

When applying a social value test to a service or contract, Social Enterprise UK suggests you ask the question:

If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?

You will need to be able to say what social value you want to achieve as the outcome of a contract, include it in the specification, assess bids against your requirements, find out whether it is being delivered when the contract starts and enforce the contract if it isn’t.

Applying the social value test to the whole organisation is summarised in the joint HouseMark and Midland Heart report [Journey to Impact](#) as:

Ensuring that we can identify and value all of the benefits that might accrue from our activities.

Here the task is similar but is a much bigger one since you will need to find measures that work for diverse activities, from a major new build scheme right down to procuring your estate gardening services or creating a community fund for residents. You may also want to extend your vision to include the stakeholders you work with, to persuade (or perhaps require) them to demonstrate the social value they create.

Why should you be thinking about this now?

The idea of demonstrating 'social value' has become very important for several reasons. First, firms that sell goods and services increasingly want to show they are not just making profits but they are giving back to communities or to the environment in some way. Second, charities and other businesses with social objectives frequently need to identify more clearly the value of what they do and – if possible – measure it. Finally, new legislation, usually called the Social Value Act, took effect in January 2013 and requires public bodies and housing associations to consider social value when they procure services.

For social landlords, social value can be looked at both narrowly and widely. Examples of the first could be requiring a repairs contractor to provide apprenticeships, or investing some of your surpluses in a community facility. In either case you ought to measure what these achieve. Where it applies, you also have to show that you comply with the Social Value Act.

Government policy supports the drive to secure social value not only through the Social Value Act but also through its support of social enterprises, especially in the delivery of public services. More widely, there has been considerable interest in the business models of those firms which define themselves in social value terms or put it high among their priorities, such as the John Lewis Partnership, Triodos Bank, Nationwide Building Society and so on.

For all these reasons, landlords increasingly want to know what social value they deliver overall, not just to respond to the new legal requirement.

What objectives can it help organisations deliver?

Taking the wider view of social value means that this area of work becomes integral to the organisation's overall objectives. Here are some of the objectives that it can help you achieve:

- Demonstrating the overall value of your organisation's work
- Judging the value of different initiatives
- Sustaining long-term investment in communities
- Encouraging community participation
- Complying with regulatory requirements

In the next section we look at how organisations are using social value methods to achieve these objectives.



What are others doing?

This section sets out in more detail how organisations who have embraced the social value agenda have been able to demonstrate really positive business and social objectives.

Objective 1: Demonstrating the overall value of your organisation's work

You want to show that your organisation's 'bottom line' is more than just its financial surpluses or reserves – how do you invest in your customers and your housing stock in wider ways? As well as building and maintaining homes, what contribution do your activities make to wider social goals such as better health or tackling crime?

Organisations also want to prove their social value when working with other bodies that expect it, for example when they bid for funding.

Learning from others

Orbit is drafting a [group social value policy](#) to maximise the 'societal or value-added benefits' stemming from the group's activities. It focuses both on housing and on community outcomes, the latter including specific programmes relating to jobs, community activities, fuel poverty and energy efficiency, and advice services. It has a commitment to supporting local enterprise, measuring the social value of all Orbit's activities and embedding social value in procurement. For more information contact [Christoph Sinn](#)

Objective 2: Judging the value of different initiatives

If organisations know how much social value they get from their normal spending on things like repairing homes or building new ones, they can better judge if a new idea (say, investing in community gardens) will give more social value for every extra pound spent. Being able to measure social value also helps you choose which of different community initiatives might warrant your support.

You also want to show how your conventional investment and your social investment interact – for example, if you give extra help to tenants to deal with welfare changes, does this help to reduce rent arrears?

Learning from others

The G15 group of large housing associations chose to assess [three main areas](#) of social value: jobs and training, young people and 'community resilience' (tackling ASB, family intervention, community cohesion and wellbeing).

Objective 3: Sustaining long-term investment in communities

Housing providers usually use a business model which is predicated on community investment, capacity building and long-term stability. To be effective custodians of the long-term interests of the business and the community in which it is based, housing providers need to have robust and effective mechanisms for judging what those interests are and what impact they have on them. Social value methods allow them to do this.

Learning from others

Croydon Council's 'stronger communities' strategy drives its work on achieving social value through commissioning. Its [toolkit](#) for its own staff and for service providers shows the processes to be followed in obtaining social value, including the award procedure used. It provides guidance to ensure that staff obtain social value while also complying with the law.

Objective 4: Encouraging community participation

All social housing providers aim to involve the communities in which they work, but this is often seen as a cost without a measurable return. Social value methods can help you assess the outcomes from community participation and strengthen the case for investing in it.

Learning from others

First Choice Homes Oldham wanted to strengthen community involvement. It worked in partnership with [Forever Manchester](#) (the community foundation for Greater Manchester) to deliver workshops on asset-based community development (ABCD) in five of its neighbourhoods. By focusing on the skills and assets within a neighbourhood rather than the traditional approach of focusing on what is lacking, ABCD helps local people to discover and share the talents and resources that they already have to make long-term improvements to their community and wellbeing. Forever Manchester trained 52 people in the basic principles and discovered a wide range of assets and skills in the neighbourhoods. The feedback was extremely positive – 87% of attendees rated the workshops as excellent or very good. For more information visit the Forever [Manchester website](#).

Objective 5: Complying with regulatory requirements

The wider view of social value is endorsed in England by the HCA's regulatory framework, which requires housing associations to have:

... a robust assessment of the performance of all their assets and resources (including for example financial, social and environmental returns).

This means, for example, that value for money should no longer be measured solely in financial terms. The HouseMark report [Social Hearts, Business Heads](#) discusses how to incorporate the overall social value of your activities in your business's approach to VFM.

In Scotland, while there is no regulatory requirement, the Scottish Government is encouraging use of SROI as part of its outcomes-based approach. It has set this out in a briefing paper for housing associations, [Embracing Social Return on Investment \(SROI\)](#).

Learning from others

Black Country Housing Group's annual value-for-money report puts values on the wider effects of the group's work. For example, its [latest report](#) shows how every £1 spent on aids and adaptations is estimated to save the NHS £5.85 in emergency admissions, and every £1 spent on its Single Work Programme saves the Exchequer £8.16.



How do you make sure you get it right?

This section sets out some of the key steps that you will need to think about when developing your approach to social value.

Most social landlords will not want to take a narrow view and simply comply with the Social Value Act. They will adopt the wider view of social value described at the beginning of this briefing and aim to embed it in the whole of their organisation's work.

How do you do this? [Communities Count](#), a joint investigation by Social Enterprise UK with CIH, Orbit, PwC and Wates Group, set out four key steps:

1. Have you defined the vision? Setting out what you aim to achieve and having leaders who are committed to achieving it.
2. Have you integrated your approach across the business? Making sure it permeates all your operations, all stakeholders are involved and achieving social value is not a 'tick box' process.
3. Are you working in partnership? Recognising that you are unlikely to be able to deliver full social value alone and that effective, long-term partnerships are likely to be needed.
4. Can the difference be measured? Assessing the impact of what you do and telling people what has been achieved.

Here is a video about the [key messages](#) from the report.

1. Have you defined the vision?

Communities Count found that a minority of housing organisations had a defined vision of what they want to achieve in terms of social value, although many were working towards it. This is understandable: it's a relatively new concept, organisations take time to adapt and in any case many will already have policies and requirements that embody social value in some way. Delivering housing options is itself, of course, a social value activity. However, to truly become a social value organisation, you need to arrive at an organisational consensus or vision based on a definition of social value, such as one of those mentioned above. But to do so you also need to address questions about its scope.

The first question is how you will apply your definition of social value. For example, an obvious way may be to apply it to improving the 'wellbeing' of the communities in which you work, where this includes things like jobs, crime, safety, community facilities and other issues, judged important by local people. You can find out about local priorities through surveys or community consultation, which can be used to jointly decide what will deliver most social value in each locality from the residents' perspective. This approach can be very helpful, but it might limit the application of your vision. You may also want to take account of additional, broader factors. For example, tackling domestic violence or assisting destitute migrants might not be community priorities, but may well be of very high value for the small numbers of people assisted.

A second issue to be addressed is how far you go in terms of the organisation's activities. Do you just aim to meet the requirements

of the Social Value Act, or do you set a social value test for all your activities (whether covered by the Act or not) or do you go further and redefine yourself as a social value organisation, with its implications for governance, your budgets and every aspect of your work? One approach might be to tackle the issue in stages, building up your commitment to social value and the changes this implies over a period of time.

A third issue is how your vision relates to other relevant priorities and policies which you are likely to have through your existing work. Your policies on equality and diversity, paying the Living Wage, financial inclusion, fuel poverty and environmental sustainability, all reflect social value. Some housing organisations have made considerable efforts to re-establish their priorities and make these an integral part of their 'brand' (eg being seen as 'green' housing providers). You don't want your new social value 'vision' to displace what you already do, but to include these within its ambit. How will you go about achieving that?

Finally, what do you want to do with your assessment of social value? Ideally, you will use it to steer your organisation's activities and its use of resources so as to increase the social value it creates through everything it does. Of course, you will also want to use the results to show others the value of what you do, but if social value is simply a publicity exercise it is missing its real purpose.

Learning from others

Shropshire Council appointed a senior councillor as the 'lead' on social value. It adopted a statement of intent to consider 'how everything we commission can generate wider benefit for the community' and embedded this in its procurement and commissioning arrangements. It has grant-aided local charities to enable them to help the council deliver social value. How social value fits into its procurement processes can be seen [here](#) (pdf). [extract from [Communities Count](#), p.11]

Affinity Sutton commissioned a [report](#) looking at what it could learn from commercial bodies that have a specific social value focus. It calls on housing associations to reinforce their independent identity and to intertwine their social values with their commercial approach.

Rhondda HA defines itself as a local, community-based organisation which has social value woven into the way it operates. It works with communities to identify their priorities and these are then reflected in the HA's work and in that of any contractor with which it operates. It also actively encourages tenants to become social entrepreneurs. [extract from [Communities Count](#), p.19]

Rochdale Boroughwide Housing is England's first tenant and employee co-owned mutual housing society. It puts its members 'at the heart of decision-making' through schemes such as 'Our Place'. In these, residents and RBH work together to prepare a three-year action plan to jointly improve their neighbourhood. Where such plans are agreed, communities receive their own 'Our Choice' budget to spend on projects that form part of the plan. For more information please contact [Anna Charlton](#)

Identifying activities in detail

It's already apparent that defining social value outcomes can be an almost infinite task ('is your office tea made with fair trade tea bags?'). It therefore makes sense to start with the more obviously important outcomes and build on those.

One approach might be to:

1. Identify social values that are close to your current business objectives. For example, if part of your business is social care, one social value objective might be to reduce social isolation among older people.
2. Link to your organisation's expressed values. For example, if you 'put residents and customers at the centre of everything we do' then activities which hand power to customers might be a priority.
3. Talk to stakeholders. Some social landlords have established social value priorities through surveys which show what issues are important to the differing communities in which they work. You may also want to take account of the views of other partners, such as other local housing providers or local authorities.
4. Remember the issues that affect the integrity of your business. For example you must comply with regulatory requirements and promote equality and diversity. Core social value activities need to sit alongside newer ones.
5. Decide your objectives for social value before you start to measure outcomes. If you don't do this, you might find you focus on easily quantified outputs like 'jobs created' and ignore more intangible outcomes like 'increased community cohesion'.

Learning from others

The **Croydon Council** [social value toolkit](#) has 13 social value activities ranging from jobs and training to targeting hard-to-reach groups and promoting fair trade.

2. Have you integrated your approach across your organisation?

Having developed your policy or vision for social value, how do you begin to carry it out? You may want to start by adding social value clauses into new contracts and monitoring what this achieves, or you could look retrospectively at how recent contracts might have been improved had social value clauses been included. Soon, though, you face the challenge of rolling out your social value policy across the business. Doing this can be divided into two stages (which might run in sequence or in parallel): first, ensuring social value in all procurement or commissioning activity; and second, building it into the entire organisation's work, including in-house activities such as housing management.

Bringing social value into your procurement or commissioning

means moving away from making decisions based on a 'bottom line' of lowest cost and moving towards decision-making based on the overall value gained, both in what is delivered and how it is delivered.

Learning from others

Croydon Council's housing repairs contract was preceded by consultations to enhance the social value achieved. This led to clauses inviting tenders which offered innovative services. As a result the service offers apprenticeships, careers advice in schools and volunteer opportunities for staff in the communities served. ([Public services Social Value Act one year on](#) Cabinet Office January 2014)

Applying your vision for social value to the wider work of the organisation may be simpler than it seems. To begin with, you are almost certainly already providing social value through your mainstream activities, as you can see from the examples below. Ensuring that your social value vision and the priorities you have established drive all your activities, not just procurement or commissioned work, means:

- Assessing what social value you already create (see examples below).
- Reviewing activities, including day-to-day work such as housing management, to consider whether extra social value could be created via the same or reconfigured use of resources.
- Considering the opportunities for new activities that fill gaps or respond to community priorities you don't yet meet.
- Deciding how you resource these either within existing budgets or by generating new resources (eg bidding for grants).

An example is day-to-day repairs. What social value do they have and what more could they achieve? For example:

- Do you have programmes to promote a diverse workforce, eg giving job opportunities to women (who form less than 2% of the construction workforce)?
- Can you offer women who live alone repairs provided by a female operative (where this is proportionate to their needs)?
- Could you offer energy-saving advice when you do boiler repairs?
- Could you provide DIY classes for basic repair jobs and incentivise DIY?
- If you commission repairs services, can you build in clauses that encourage local enterprises to bid?

Throughout, you will need to bear in mind step 3 below – the value of partnerships in securing social value. Don't attempt to do it all yourself.

Learning from others

Poplar Harca helped young people to build a social enterprise that delivers activities for young and old people together. By investing an annual budget in young people, on their own terms, Poplar Harca reduces loneliness and offers social care; young people are acquiring skills in a sector that struggles to recruit; and the neighbourhood enjoys improved social cohesion between old and young - three outcomes for the price of one.

Plus Dane Group helped establish IN Environmental Services, a grounds maintenance operation set up and now run for over ten years by a street cleaner, Joe Feeley. It is independent of all grant and has a turnover of £1.5 million. He says 'almost no one, including myself, thought I would set up and run a £1.5 million business but ten years later here I am. It was the investment of confidence in me that made me do it'. He adds: 'we employ the worst person for the job, not the best, and then I invest my belief in them just like others did in me'. The scheme has delivered over 300 'life-changing returns' to date.



Read more about the above projects in CIH's policy essay [Where is housing heading?](#)

3. Are you working in partnership?

Partnership working is important in achieving social value because the breadth of activities involved means you are unlikely to have all the expertise you need in-house. Partnerships also provide opportunities in themselves to enhance social value, if you choose partners already contributing to communities. For example:

- Other social housing providers might be valuable partners, eg in procurement (see the STaR example below).
- Social enterprises are particular examples of social value – can you promote, help to sustain or partner with them? – see examples below.
- Private sector partners are likely to be important because of their place in your supply chain. Can you use your buying power to secure social value from them, for your communities?

There are some factors to keep in mind in considering partnerships:

- Be clear about your reasons for wanting a partnership – don't set them up for their own sake, they require a lot of effort.
- 'Map' which bodies have expertise in the area of work (eg jobs advice, debt counselling) that you want to explore. Do any already work in your communities?
- Consider your existing partnerships first. If you need new ones with bodies you haven't worked with before, what can you bring to the table?
- Try to involve potential partners from the outset to allow you to develop a shared vision of what you want to achieve.
- Decide how partnerships will be 'kept on track' once they begin, eg can you involve service users in feedback or even in management?

Learning from others

Stockport, Trafford and Rochdale councils have a joint procurement service called STaR. It has a specific aim of enhancing social value, works with a local umbrella organisation representing 100 organisations in the area and is specifically targeting the introduction of apprenticeships. [extract from [Communities Count](#) p.27]

Trafford Housing Trust established **CleanStart** in 2008, a social enterprise that employs ex-offenders to carry out void clearance and maintenance. It has created various partnerships itself, for example with Styal Women's Prison to provide training and jobs. [extract from [Communities Count](#) p.30]

Wates Living Space and Sandwell MBC have worked with a social enterprise called **Rising Stars**, a contract cleaning business which creates training and jobs for long-term unemployed people who have lost their confidence to find work. With help from Wates' charitable arm Wates Giving they have expanded ten-fold. (winning entry in CIH Midlands awards 2014 social enterprises empowering communities category)

Derventio Housing Trust is a social enterprise in Derby which leases property then lets it to tenants who would have difficulty accessing the private rented sector because of their support needs. Derventio provides the support and manages the risk on behalf of the property owners. It works with about 1,250 people per year.

Good Practice Case Study – i2i: Housing, Regeneration and Tackling Poverty

Welsh housing has produced strong evidence that procurement can successfully be used to both maximise benefits for, and engage with, local communities. The involve to inform (i2i) project, developed by the Chartered Institute of Housing Cymru (CIH Cymru) and supported by the Welsh Government, was set up to promote the principle that opportunities arising from public and housing investment programmes can be maximised through the inclusion of community benefits as a core contract requirement. Registered social landlords, and the wider housing sector in Wales have been pioneers, promoting and exploring good procurement practice by harnessing the wider benefits of contracts giving local unemployed adults and young people training and work experience.

The i2i Can Do toolkit provides guidance to registered social landlords and the public sector on making targeted recruitment and training (TR&T) a core condition of housing contracts, when appointing companies to carry out work, maximising opportunities for local community regeneration. The Can Do Toolkit was originally produced for Social Landlords in Wales to ensure that Welsh Housing Quality Standard investment programmes delivered wider benefits, with a particular focus on TR&T opportunities for disadvantaged communities. From 2008-2013 the programme evidenced 5,130 job and training opportunities were created using the principles of the CAN DO approach by Welsh social landlords. The project helped the sector to secure around £2 billion of additional investment in housing, and its toolkits are now widely used by housing and regeneration organisations, including the i2i Can Do Toolkit 2, focussing on small and medium enterprise (SME) friendly procurement.

The i2i library, including five 'Year On' annual reports and ten 'active response' themed good practice documents, are available for free on the CIH website. They provide a wealth of case studies showcasing the benefits to be gained from taking a strategic, cross sector approach to using good procurement policy as a key lever for developing the skills base of local people, creating local and sustainable jobs, embedding community based regeneration and tackling poverty. All i2i resources are available to access at www.cih.org/i2i/publications. [Click here to access a free webinar outlining the principles of i2i and the Can Do toolkit](#)

4. Can you measure the difference?

Communities Count found that housing providers who had a clear definition of or policy on social value were also likely to be those who had adopted ways to measure it. Of course, unless you are able to measure impact, you will be unable to demonstrate what you are achieving or make effective choices between different ways of doing it, or different activities in which to invest resources. As Communities Count points out, to measure you need to define, and 'what doesn't get measured, doesn't get managed'.

Measurement has to face the challenge of establishing cause and effect. For example, if you fund a local initiative to get young people into jobs, and youth unemployment in the area falls, how do you know the extent to which this results from your initiative, as opposed to (say) a new employer moving into the area?

This test is known as assessing the 'additionality' of an initiative – asking how much of the difference is attributable to what you did. This can be assessed by posing a 'counterfactual' – 'what would have happened if we hadn't launched this scheme?' This helps you to judge 'causality' – how much the change was due to your organisation and how much to the work of other agencies operating independently.

In measuring impact you again have to decide whether to take a narrow, project-by-project approach, or a wider organisation-wide one. The challenge can be illustrated by the example of an initiative to help residents save energy and cut carbon emissions. Suppose you demonstrate that the project saves so much CO2 annually, but at the same time your organisation's wider work is producing more CO2 – might it have been better to invest in reducing your overall carbon 'footprint' first? As before, you may want to start by measuring the impact of particular initiatives, then move on to a wider view of the impact of your whole organisation.

How do we measure impact?

Measurement is controversial. How do you put a value on the extra self-esteem which someone feels who gets a job after a long period of unemployment? There are plenty of critics of attempts to attach a monetary value to something as difficult to measure as, say, [the quality of a landscape](#). Nevertheless, attempts at measurement are worthwhile, so we can try to compare like with like.

The real social value (jobs created, community cohesion improved, etc.) should always be reported, regardless of whether it is quantified in monetary terms. It is worth bearing in mind that bodies well-known for their social values often report their social achievement in non-monetary terms (eg Nationwide Building Society and its 'citizenship strategy' – see [Profiting from Values](#)).

Whichever methodology you choose, proportionality is key, ie don't apply complex methodologies to small projects and try to use existing methodologies rather than creating bespoke ones. As part

of the actions from Communities Count, Social Enterprise UK will be producing some proportionality standards to help navigate this.

There are different approaches to measurement, and both Orbit and Midland Heart have assessed the different methods (see below). Essentially, all the approaches derive from cost-benefit analysis, modified to take account of the challenges mentioned above. Here are some of the approaches:

- Social Return on Investment (SROI) – aims to include the values of people that are often excluded from markets in the same terms as used in markets, that is money, in order to give people a voice in resource allocation decisions. SROI is a framework to structure thinking and understanding: 'it's a story not a number'. It is based on seven principles:
 - involve stakeholders
 - understand what changes
 - value the things that matter
 - only include what is material
 - do not over-claim
 - be transparent
 - verify the result.

SROI is the method being used by most social landlords and is fully described on the SROI Network [website](#). For more detail, also see the Orbit and Midland Heart/HouseMark publications (below).

- CIH's Social Value Tool is currently under development, in partnership with the sector, to demonstrate the quantitative and qualitative social impact of the housing-related support services being delivered. It assigns a financial value to a range of outcomes and measures the distance travelled by the individuals in achieving a defined set of outcomes. These read across to key social care, health, public health and criminal justice outcomes. This will enable providers to show the social value of their work through a robust and transparent methodology that applies counterfactuals and places the emphasis on outcomes for the individual. It will be particularly useful in meeting the opportunities and tendering pressures for housing-related support.

The Care Act 2014 puts new duties on commissioners to work with housing and the CIH tool will enable providers to demonstrate the social value of their services.

Further information on progress can be found at www.cih.org/consultancy

- The Global Value Exchange. This [network](#) exchanges evaluation experiences and encourages users to post the value assessments they have made.
- The Outcomes Star is a technique that can be used when working with vulnerable people. There are [more than 20 versions](#) of the star for work with different client groups.

In deciding your approach, you need to carefully review the strengths and weaknesses of different methods and look at how they have been used by similar organisations to your own. You need to bear in mind that reducing everything to monetary values has attractions but that it is also time consuming and – because it compares ‘oranges with pears’ – you may not find it gets the broad acceptance that it aims to achieve.

Learning from others

Orbit has invested resources in deciding how social value methods should be applied in its organisation, including carrying out an Overview of Common Evaluation Tools – contact [Christoph Sinn](#) for further information.

Midland Heart has developed its own approach to impact assessment. The report [Journey to Impact](#), published jointly with **HouseMark** is an overview of methods that Midland Heart is using.

Telling people what has been achieved

Assessing social value is principally about finding out what impact you are having – on the communities where you work or more widely. In doing so it is vital to have in mind from the outset how you will use the information, as this will influence what you collect.

Obviously, telling people what you have achieved is part of this – if the communities, the staff who work there, your local partners and the wider world can see the impact of what you are doing, they are more likely to value the work and to want it to continue. Many social landlords are now telling their boards, their customers, their staff and other stakeholders what they are doing to achieve greater social value, and you should do this too.

In doing so, you should also be clear what your aims are. They are not just to tell a good story about what you have achieved, but also to motivate staff and customers to innovate and engage with social values, so you build in a culture of continuous improvement. Many of the high social-value organisations interviewed for [Profiting from Values](#) put more emphasis on engagement with staff and customers than they do on reporting detailed metrics. For example, the Triodos Bank and John Lewis both have stakeholder interests on their boards, and Triodos make their AGM a stimulating and interactive day out for people to find out about the social investment they have made.

At the same time, be careful not to over-claim the social value of your work as this can undermine the government’s and others’ confidence in the sector’s achievements. Your claims should be robust and stand up to examination, if necessary.

Learning from others

Five Darlington-based social landlords commissioned a local enterprise partnership, Tees Valley Unlimited, to [evaluate the economic impact](#) of their work in the area. They found that social housing bodies sustain 1,700 direct and 2,000 indirect jobs in the local economy, and contribute 2% of the region’s entire economic output.

The PlaceShapers Network report [Localism that Works](#) has 16 case studies of housing providers generating social value through a range of different community-based activities.

Nottingham City Homes commissioned [research](#) on the wider impact of its decent homes programme. As well as hitting targets on issues such as fuel poverty and energy efficiency, the research showed that the programme reduced crime, improved residents’ health and provided local jobs.

5. How do we comply with the Social Value Act?

Social value is prominent because the Public Services (Social Value) Act 2012 took effect in 2013. It covers England and Wales, although the Welsh Government itself is not covered by it. The Act was originally a private members’ bill which aimed to ensure that voluntary bodies and social enterprises could bid on a more ‘level playing field’ for public service contracts. It requires certain public authorities – such as a local authority or an NHS trust, and including housing associations – to consider how the procurement of a service may improve the economic, social and environmental wellbeing of an area. The government has announced a review of the legislation to examine whether it should be extended to cover goods as well as services.

Social value must be considered at the point when an authority proposes to enter into a public service contract. This means it must be incorporated into the design of the service and specified in the contract. Only ‘service’ contracts are covered by the Act, not those to supply goods or undertake construction works (although a service contract which has elements of goods or works is covered). However, this doesn’t prevent social value requirements being put into other contracts – for example, a works contract could require apprenticeships or training to be provided.

The social value offered by a contractor must be taken into account and evaluated alongside the tender price. In this context, social value is:

The additional benefit to the community from a commissioning/ procurement process over and above the direct purchasing of goods, services and outcomes.

To take account of social value, contracts should no longer be awarded on price alone. EU procurement law allows them to be awarded on the basis of the 'most economically advantageous tender' – the Act clarifies that this should, indeed, include social value.

However, the Act raises questions that will only be answered fully as experience develops. For example, what weight do you give social outcomes compared with the tender price? How do you demonstrate that the outcomes you require are appropriate? How can you make your decisions transparent and robust? – for example, can you involve community representatives or provide evidence of social value through community surveys?

Again, these questions also arise when taking the wider view of social value: but in the context of the legislation, you may of course be required to justify carefully how you have made a social value judgement – for example, if a contractor who made the lowest bid challenges the award of the contract to another who demonstrated better social value.

Official guidance on the Act is available [here](#). Social Enterprise UK, the NHF and others have created the [Social Value Hub](#) as a resource for those affected by the Act. It includes a useful [mythbuster](#) guide. Orbit has published [a guide to social value in procurement](#). CIH ran a webinar on procurement and the Act which, if you are a CIH member, you can see [here](#).

Final thoughts

Here are some guiding principles for your work on social value, based on what others have found who are actively working in this area and trying to demonstrate the social value created by their own organisation.

Comply with the law

The Social Value Act is an innovative piece of legislation – do make the most of it, not only within your own organisation but in your dealings with others. Unlike other legislation, it will really only be successful if both the public and private sectors embrace the principles and try to put them into practice.

Decide how 'social value' can work for you

But simply meeting the legal requirements won't take you very far and means you'll miss opportunities for bringing ideas about social value into all your organisation's work. The best examples in this New Approaches guide have come from organisations which have embraced a wider view of social value, and made it work for them.

Don't get hung up on numbers

It's very easy to turn social value into numbers and pounds and pence. But this can be misleading. Can you demonstrate social value in ways that will have real meaning for your customers and stakeholders? – look and learn from the examples here.

Have fun!

Social value is a very new area of work and tried and tested approaches are hard to find. So, it's very much a field in which everyone in an organisation can make a contribution. Why not turn it into an opportunity for experiments and testing out new ideas? Stimulate the imagination of the people and communities you work with and get them to contribute – this in itself creates 'social value'.



Where to find out more

[Social Enterprise UK](#) is the organisation that leads the drive to create more organisations with high social value and produced the report on the housing sector, [Communities Count](#).

[The Social Value Hub](#) is a resource to assist compliance with the Social Value Act.

[PlaceShapers](#) is a group of more than 100 housing associations aiming to be high social value organisations. Its approach and some of its social value activities are described in a [CIH policy essay on regeneration](#).

The [Community Development Finance Association](#) exists to help create access to finance to improve neighbourhoods across the UK.

[Social Finance](#) is a non-profit body that can help with commissioning of services to gain greater social impact. It worked with the LGA to produce [An Introduction to Social Investment](#).

[Inspiring Impact](#) is a UK-wide website with resources on obtaining and measuring social impact.

The [SE Housing Hub](#) is a single point of access for housing organisations wanting to know about social enterprise.

Orbit Group has developed a range of documents on social value in addition to jointly publishing Communities Count. These include:

- Communities Count - beyond the bottom line: [A practical guide to achieving social value through public sector procurement](#).

