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Measuring the Social Impact of Community Investment:  
A Guide to using the Wellbeing Valuation Approach

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# Introduction

The social housing sector has long been committed to investing in initiatives to strengthen communities and to aid individuals, through a belief in the positive social impact created by these activities. One outcome of the current economic climate is a growing recognition of the significant contribution of this social value creation in the assessment of value for money. However, until now, there has been little genuine evidence of the value generated by these activities, in a form that Housing Associations can use to enable them to balance competing demands for investment. The sector has well-developed indicators for comparing financial and operational performance but nothing exists on a similar level to compare social impact. Evaluation approaches such as Social Return on Investment are being used more widely, but can be subjective, resource intensive, and until now have lacked a set of comparable and objective proxies to calculate social impact.

Now, for the first time, organisations will be able to make quick and informed decisions about social investment, rather than basing decisions on what simply ‘feels right’.

This handbook is derived from research that is conceptually innovative yet sufficiently rigorous for HM Treasury to include it as a new evaluation approach in the Green Book, the Government’s project appraisal guidelines. Affinity Sutton and Catalyst were encouraged by the research published by HACT and London School of Economics’ Daniel Fujiwara in early 2013, and formed a partnership to support the evolution of this work into an additional, practical method to assess the social impact of community investment initiatives. A key objective of this partnership was to translate the theory into practice.

As part of this we invited a small group of leading housing organisations to join us in testing the practical implementation of the approach. Through their involvement we have been able to ensure the methodology is relevant and accessible to a range of practitioners. It can be applied in a straightforward and standardised way, no matter the size or complexity of the organisation. As a group, we have found this work to have a variety of practical uses: from quantifying the social difference made as an organisation, through enabling rapid appraisals that compare the social impact of different projects, to providing a more holistic view of future investment options.

The model provides us with the first step towards developing a common language for measuring our social impact. We feel it has reached the point where it can and should be freely shared, both within housing and other relevant sectors, and we encourage other organisations to share their experience of using this guide. We recognise that our Community Investment activities are inevitably shaped by a complex set of factors but very much hope this new approach gives us a valuable additional tool to demonstrate the significant difference we make.

**Rod Cahill – Chief Executive, Catalyst Housing and  
Mark Washer – Group Finance Director, Affinity Sutton**



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# Foreword

The publication in February 2013 of *'The social impact of housing providers'* marked a step change in discussion of social value in the housing sector.<sup>1</sup> Drawing on cutting-edge approaches to assessing social impact, leading social econometrician Daniel Fujiwara demonstrated how Wellbeing Valuation techniques could be used to understand and value the impact of housing providers' activities on their residents. Wellbeing Valuation – which seeks to value interventions on the basis of their impact on individuals' life satisfaction – is an approach to social value measurement which is attracting increasing attention in the UK and more widely. It is recognised by HM Treasury in its Green Book guidance on cost benefit analysis and is being increasingly applied across OECD by governments seeking to assess the value of non-market social interventions.

This new report, generously supported by Affinity Sutton and Catalyst, outlines how Wellbeing Valuation can be applied to housing providers' community investment programmes. It provides robust impact values for those seeking to carry out detailed social return on investment-based analyses of specific projects as well as for those wanting to generate more strategic overviews of the relative value created by their portfolio of neighbourhood-based activities. The set of values within this report have been established through one of the largest scale exercises in social value generation carried out to date, providing a wide range of values that – critically – share the same robust and validated evidence base.

Alongside the values, this report includes information on and examples of how housing providers might apply the values in a practical context to provide quick and robust feedback on the impact of a wide range of activities in ways that are practical and proportionate to the scale of many housing providers' programmes. Whilst these new approaches are not intended fully to replace more detailed and resource-intensive SROI-based analyses, we hope they will help a much wider range of organisations to embed social-value based approaches into resource allocation, decision making and corporate reporting.

HACT will be launching an online social value mapping and reporting tool in the first half of 2014 in recognition of the extent to which social value and wellbeing are becoming ever more important to the social housing sector. Further social value resources and details of the support that HACT can offer housing associations in embedding approaches to social value in their organisations are available from HACT's website at [www.hact.org.uk/social-value-services](http://www.hact.org.uk/social-value-services)

We very much look forward to taking forward the next phases of our work on social value within the social housing sector during 2014.

**Matt Leach – CEO, HACT**

# Summary



## 1.1 Measuring social impact

Whilst a purely profit-focused business can look to its bottom line to check its activities are working, an organisation that seeks to create improvements in society needs a measure of its social impact.

This Guide introduces a new bank of values related to investment in communities, the **Social Value Bank**. This document also provides guidelines and rules to support you to apply the values using the **Value Calculator** and to produce an **Impact Valuation Statement** declaring the social impact of your community investment activities.

There are also legislative and regulatory motivations for measuring social impact. The Public Services (Social Value) Act 2012 requires those commissioning or procuring public services contracts to consider how the work can improve the wellbeing of the area. This guide supports organisations to comply with this legislation.<sup>2</sup>

The HCA's Regulatory Framework for Social Housing in England from April 2012 states 'Boards must maintain a robust assessment of the performance of all their assets and resources (including for example financial, social and environmental returns)<sup>3</sup> providing clear direction towards social impact measurement.

## 1.2 What is Wellbeing Valuation?

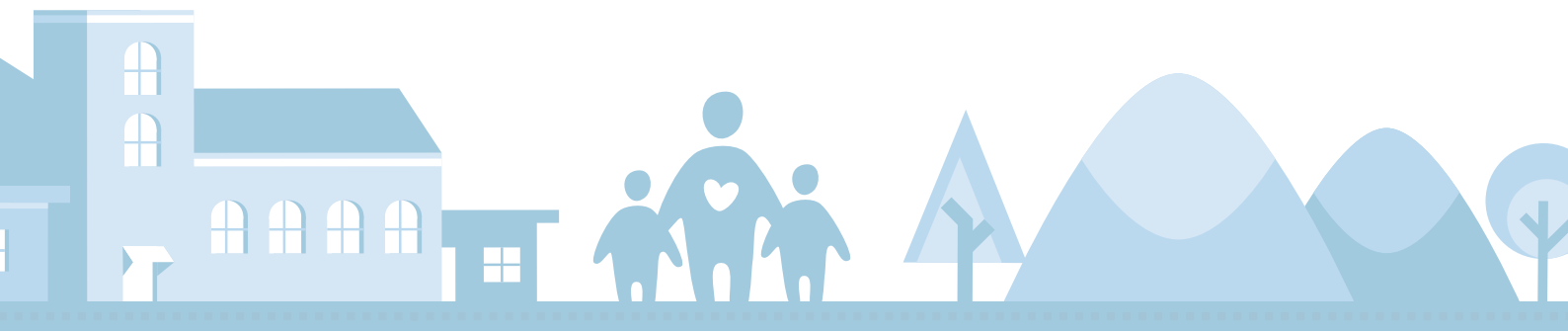
Wellbeing Valuation is the latest thinking in social impact measurement. Wellbeing Valuation allows you to measure the success of a social intervention by how much it increases people's wellbeing. To do this, the results of large national surveys are analysed to isolate the effect of a particular factor on a person's wellbeing. Analysis then reveals the equivalent amount of money needed to increase someone's wellbeing by the same amount.<sup>4</sup>

## 1.3 Why is Wellbeing Valuation different?

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

Wellbeing Valuation is in HM Treasury's Green Book – the UK Government's core guide to policy evaluation – as a method for placing values on things that do not have a market value through being bought and sold. Wellbeing Valuation is used by a range of leading authorities and central government departments including the Department for Business Innovation and Skills, the Department for Culture, Media and Sport, the Department for Work and Pensions, HM Treasury, the Cabinet Office and the Department for Communities and Local Government. It is also a firm part of OECD recommendations on wellbeing analysis in public policy and is used by other governments.<sup>5</sup>





A key advantage of the Wellbeing Valuation approach is by using data on self-reported wellbeing and life circumstances we have information on people's *actual experiences* and so the values are based on how people live their lives; this can be in contrast to other valuation methods that are based on how people perceive their life, introducing psychological complexities and biases.

In light of all this, Wellbeing Valuation is one of the fastest-growing areas of evaluation in the UK.

## 1.4 Using the values

Although the Wellbeing Valuation approach uses sophisticated statistical theory to derive values, once calculated they can be applied using simple techniques. In this manual we outline how you can use the values to inform planning or to measure social impact, outline dos and don'ts of applying the values, and show how you can follow HCA Additionality guidance<sup>6</sup> to consider what would have happened anyway.

This Guide can be viewed alongside the Value Calculator, a spreadsheet where the wellbeing values can be applied to your own data, available for download from HACT's website.

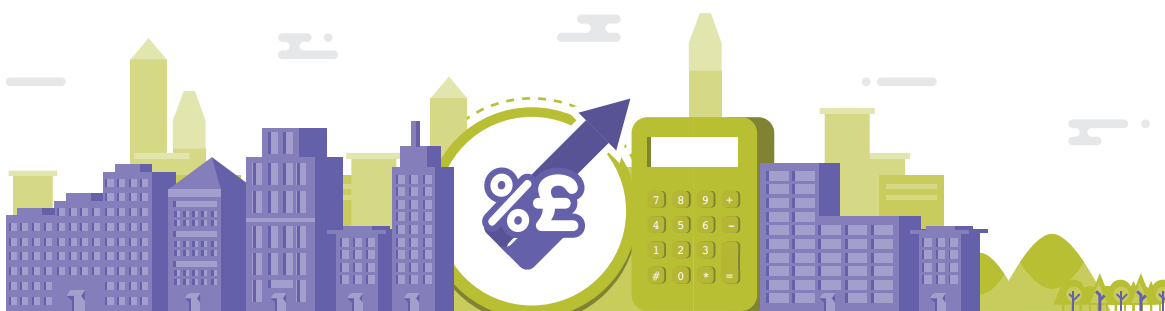
Some values can be applied in a straightforward way using your own records, while to apply other values you will need to carry out a before and after survey of participants or beneficiaries. The questions in these surveys mirror the questions in the British Household Panel Survey so are in line with how the values have been derived, ensuring a robust application of the values.

Following these rules, you can produce an Impact Valuation Statement to declare the social impact of your community investment. HACT will offer a Certification Process where your statement will be assessed and validated to say you have followed the rules of application.

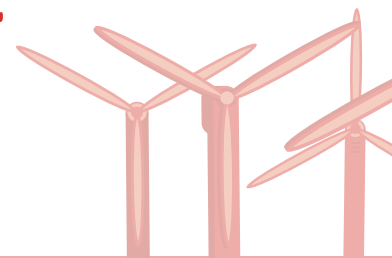
In 2014, HACT will be launching Value Insight<sup>7</sup>, a web-based tool to make the process of project set up, data collection and impact calculation significantly easier, in particular for users of its Community Insight mapping tool.

The extent to which you can deliver social value is dependent upon the communities where you work and your budget. The techniques in this manual will help you to think about and optimise your social value, whatever your operating context.

This Guide is the first public iteration designed to help you apply these values. We look forward to developing it in the coming months and years.



# Social impact measurement



## 2.1 Background

Many organisations, including social housing providers, do not solely exist to maximise profits but have a social imperative to improve their tenants' and residents' wellbeing, life chances and opportunities. Whereas a purely profit-focused company can judge its success by looking at its bottom line, a social business will want to gain a measure of its social impact.

Interest in social impact measurement has been growing in social housing as the sector becomes increasingly conscious of the importance of demonstrating the difference it makes.

Some housing providers have used Social Return on Investment (SROI) or Social Audit to measure the results of their social interventions. SROI uses financial proxies to value outcomes that are drawn from different places or through different methodologies. Results provide insight but require considerable resource, and comparisons between analyses are problematic. This has led to the perception that these approaches can be a poor fit for social housing providers, particularly where they are seeking to understand results of a wide range of different community investment activities.

Stephen Russell of Midland Heart Housing Association discussed the debates surrounding current approaches to social impact measurement in his excellent *'Journey to Impact'* report.<sup>8</sup>

This piece of work breaks new ground, using Wellbeing Valuation to enable organisations to understand their social impact with a new level of rigour. The values in this guide are the largest bank of methodologically consistent and robust social values produced to date.

The values enable comparison between different areas of community investment, and indeed beyond housing organisations. The values are also consistent with the principles underlying Cost-Benefit Analysis and SROI and so can be used within these analyses.

These values have been derived by Daniel Fujiwara using the Wellbeing Valuation approach, which follows HM Treasury Green Book guidelines.<sup>9</sup>

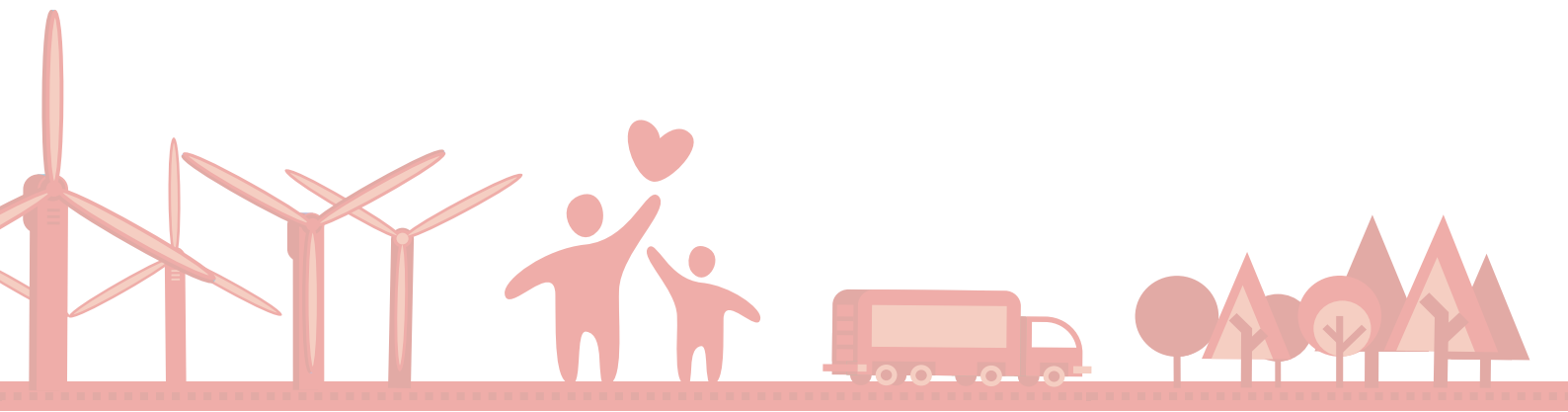
## 2.2 The Public Services (Social Value) Act (2012)

The Public Services (Social Value) Act 2012 marked an important change requiring all commissioners and procurers of public service contracts to consider the social benefits of their contracts.

Social housing providers often act both as procuring authorities and potential competitors for contracts. In spite of its limited sanctions, the Act is already having a significant impact in areas of the public sector, including some local authorities where the Act has been fully integrated into the commissioning strategy. It seems to be only a matter of time.

Consequently, the Social Value Act provides further motivation for social housing providers to measure their social impact to be in a strong position to respond to future demands from partners.



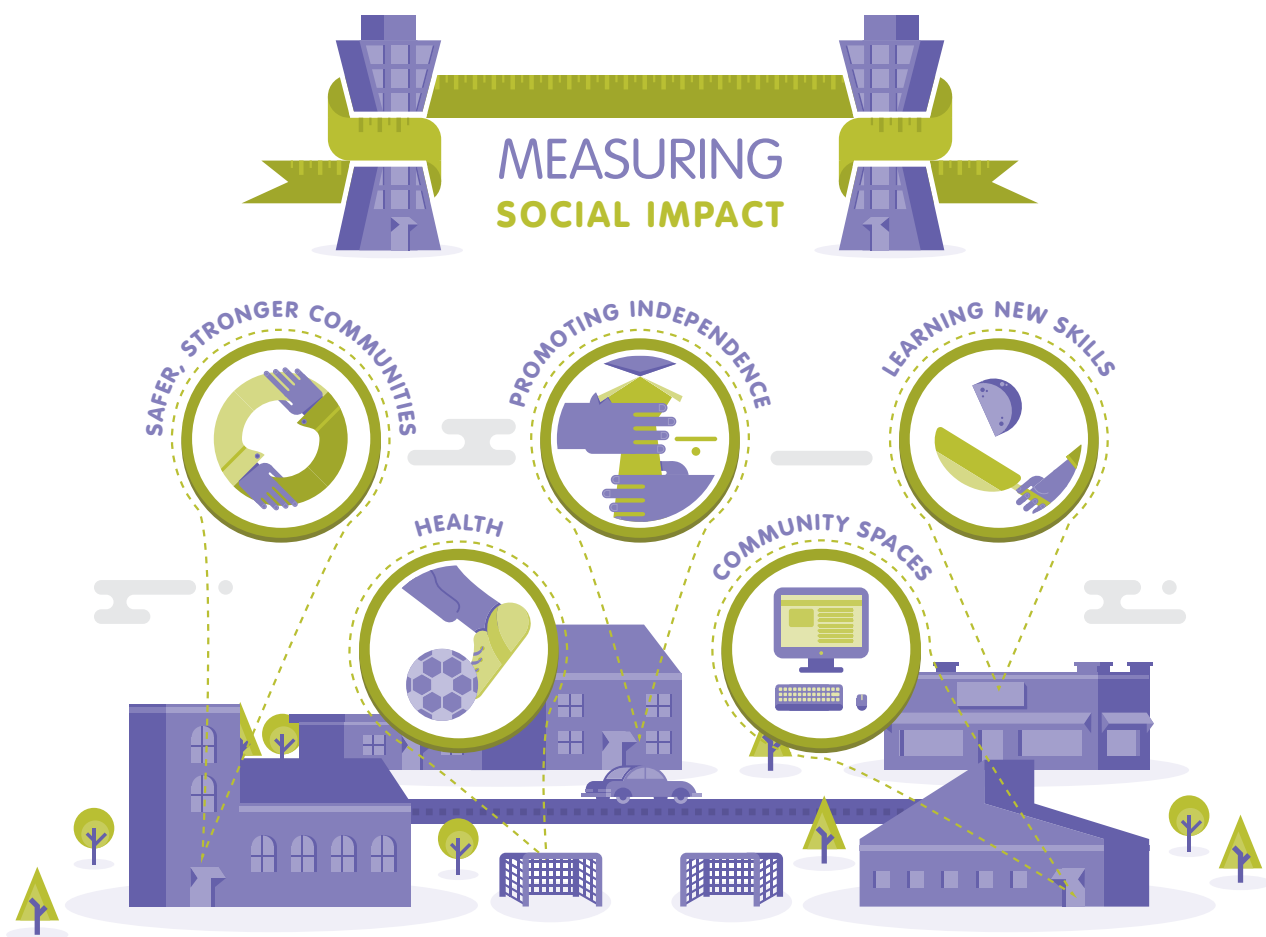


## 2.3 HCA Regulatory Framework

For social housing providers there is another regulatory area that makes it important to consider and measure social impact. The HCA's Regulatory Framework for Social Housing in England from April 2012 requires housing associations to "maintain a robust assessment of the performance of all their assets and resources (including for example financial, social and environmental returns)"<sup>10</sup>.

These regulations make it particularly important to adopt a method of social impact measurement that is internally consistent as they state that a housing provider must "have a robust approach to making decisions on the use of resources to deliver the provider's objectives, including an understanding of the trade offs and opportunity costs of its decisions." A proper understanding of trade-offs can only be achieved where it is possible to compare the options being considered on equal terms.

To demonstrate their compliance with the regulations, each housing association has to publish a "robust self assessment" annually. The use of a rigorous approach to measuring social impact will help housing providers to ensure that their self-assessments are suitably robust.



# Wellbeing Valuation



This manual introduces a bank of values, relevant to community investment activities, derived using the Wellbeing Valuation approach. These values can be used in a range of social impact measurement frameworks – however, for those starting out, this guide will enable housing providers and others to more confidently measure and share evidence of the social value they create.

Whilst applying the values is much easier than calculating them, we appreciate that many users of the values will want to have an overview of how they were established. For those wanting the full technical details see the companion Methodology Paper.<sup>11</sup>

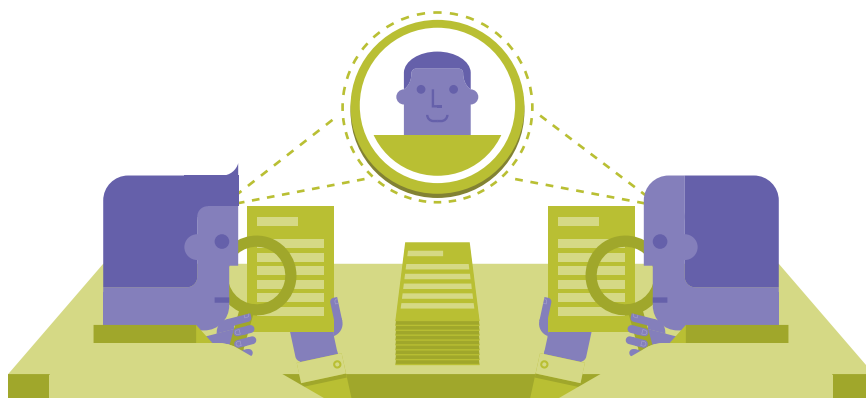
## 3.1 Overview of the approach

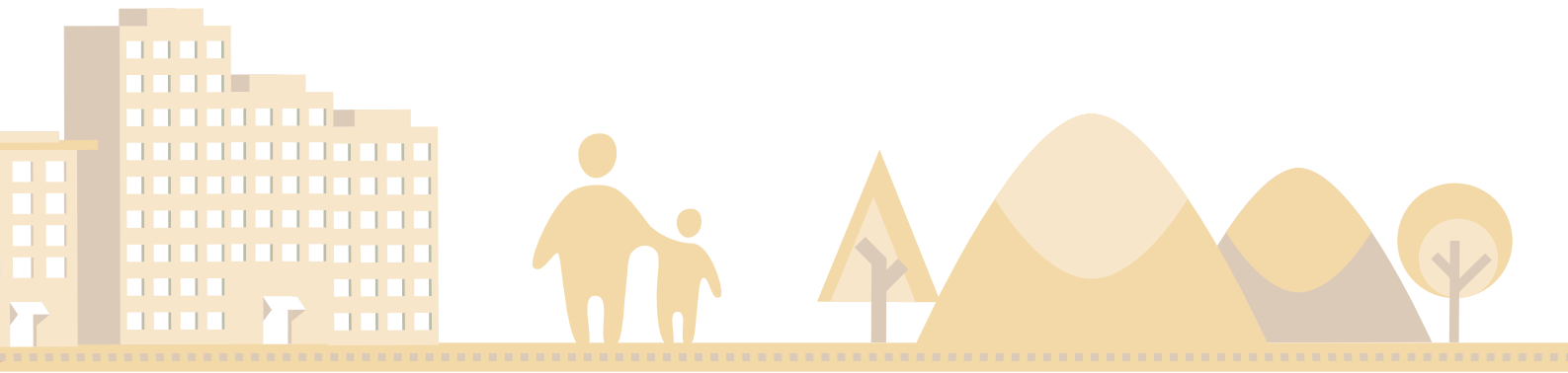
Wellbeing Valuation judges the success of a project by how it affects people's wellbeing. Rather than asking people about how much something has improved their life, which can introduce psychological complexities and extensive data collection, Wellbeing Valuation analyses existing datasets of national surveys which instead *reveal* effects on wellbeing in a robust way.

Analysis can isolate the impact of a specific aspect of life on wellbeing. We can then value this by finding from the data the equivalent amount of money needed to increase someone's wellbeing by the same amount.

Say that we are interested in the value of volunteering – that is the value that people gain in terms of enhanced life satisfaction through volunteering. We have data in our surveys and we use statistical analysis to identify and understand it in a two stage process:

- First, we look at data on life satisfaction and people's day to day activity to identify the impact that volunteering once a week has on self-reported life satisfaction (once you adjust to take account of all other factors that might impact on individuals' satisfaction levels). This might show, for example, that volunteering leads to a 3% increase in people's life satisfaction on average.
- Second, we then want to know the amount of money that would induce the same 3% increase in life satisfaction and this can also be estimated using the same type of statistical methods. Let us assume the analysis finds that £5,000 per year in extra income would also induce a 3% change in life satisfaction for the average person.
- We could then state that the uplift in life satisfaction caused by volunteering is worth on average around £5,000 per year. This is the Wellbeing Value for that activity. This is purely illustrative; please refer to the list of values for the actual value of this outcome.





### 3.2 Comparison with other approaches

The main advantages of Wellbeing Valuation over other sets of values that have been used in the past to measure social value is that these new values are methodologically consistent and robust. The consistency in the way that the values have been derived means that when examining values for different types of outcomes you are still comparing like with like.

The Wellbeing Valuation approach improves on other methods that rely on asking people how much they think their life would be better or worse in the absence or presence of a particular change (for example by asking them how much they would, in theory, be willing to pay for an outcome). By using data on self-reported wellbeing and life circumstances we have information on people's *actual experiences* and so the values are based on how they impact people's lives as they live them.

In light of all this, Wellbeing Valuation is one of the fastest-growing areas of social impact measurement in the UK. It is being used by a wide range of central government departments, including the Department for Business Innovation and Skills, the Department for Culture, Media and Sport, the Department for Work and Pensions, HM Treasury, the Cabinet Office and the Department for Communities and Local Government. It is also a firm part of OECD recommendations on wellbeing analysis in public policy.

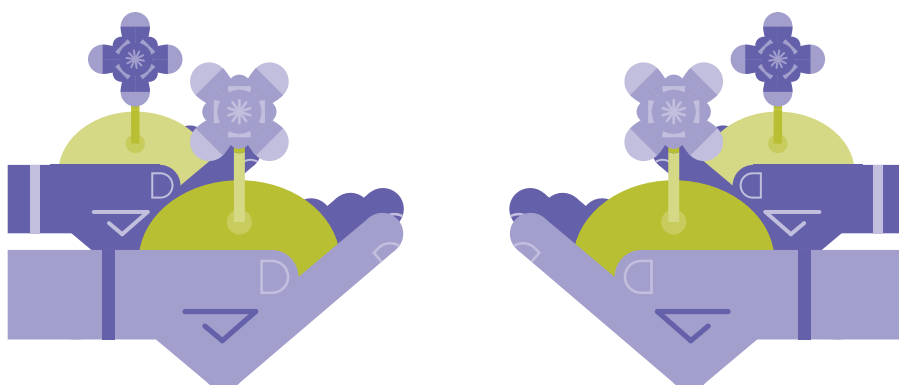
Because the values are consistent with HM Treasury Green Book guidelines, the UK Government's core guide to policy evaluation, they are compatible with approaches to valuation used by central government departments, local authorities and other public sector bodies as well as the Office for National Statistics' National Wellbeing Programme.<sup>12,13,14</sup> The values can be used within any SROI or Cost-Benefit type analysis.

### 3.3 Who has developed this approach?

HACT and Daniel Fujiwara were commissioned by Affinity Sutton and Catalyst to work in partnership to develop the set of values in the Social Value Bank and the guide on how to apply them.

Daniel Fujiwara is a leading academic on policy evaluation and long-term adviser to various governments, including producing the first UK Government guidance on the Wellbeing Valuation method for HM Treasury as part of the Green Book.

Daniel has led the statistical analysis and valuation methodology on this work, while HACT has managed the project and worked with a group of housing providers to ensure the work is practical and relevant to the sector.



### 3.4 Where do the values come from?

The values are calculated through statistical analyses of four large national UK datasets that contain data on wellbeing and life circumstances:

- British Household Panel Survey (BHPS)<sup>15</sup>
- Understanding Society<sup>16</sup>
- The Crime Survey for England and Wales<sup>17</sup>
- The Taking Part survey<sup>18</sup>

These datasets include people's responses to wellbeing questions, and questions on a large number of aspects and circumstances of their lives such as employment status, marital status, health status, whether they volunteer, whether they play sports, whether they live in a safe area, and so on, resulting in a wide range of values.

The majority of values come from the BHPS which has been completed each year by more than 10,000 of the same individuals since 1991 and so incorporates over 20 years of panel data. The values are extremely robust due to the sheer vastness of these datasets and the methods in which they are derived.

### 3.5 What are we responsible for?

The question of cause and effect is an issue in any kind of impact appraisal. While the Wellbeing Valuation approach provides a robust and reliable estimate of the social value your interventions help to create, it does not provide certainty as to how much your intervention was responsible. For example, we do not know who may have found a job even if they had not attended your job club.

To tackle this, we suggest applying a deadweight ('what would have happened anyway') adjustment to prevent over claiming. The Homes and Communities Agency (HCA) published the HCA Additionality Guide in January 2014 which describes how to calculate the additionality of housing interventions, which is how much change happens as a result of *your* intervention rather than due to other factors.<sup>19</sup>

The HCA guidance draws on research to produce average deadweight estimates dependent on the nature of the programme:

- Training and access to labour market – 15%
- Community and social – 19%
- Crime prevention – 19%
- Health – 27%

These can be applied by reducing the total value by the relevant percentage for the type of outcome. The Value Calculator makes use of these figures to give deadweight-adjusted calculated values.

### 3.6 How do I use them?

This document contains a framework that guides you through how to apply the values to your community investment activity to create a basic assessment of social value together with the Value Calculator. See section 4. You can also use the values in a Cost-Benefit or SROI-type calculation.

You may wish to use these values in tandem with HACT's Community Insight<sup>20</sup> tool.

### 3.7 Why should I use the values?

These values will support you to:

- Understand and evidence the social impact of your community investment activities
- Compare the social impact of different programmes
- Allocate resources based on a robust evidence base
- Help compare the cost of programmes to their impact
- Communicate the difference your organisation makes (internally and externally)
- Respond to and comply with the Public Services (Social Value) Act 2012

### 3.8 Who can use these values?

Although originally funded by two housing associations (Affinity Sutton and Catalyst), and developed with a focus on community investment activity undertaken by social housing providers, any organisation delivering community-focused activities in the areas addressed by these values would find them equally useful in seeking to understand the social impact of their activities. Details of the licensing conditions for use of the values are included in Appendix E.

### 3.9 Limitations

- Wellbeing Valuation does not seek to value each individual's experience of your intervention (e.g. employment training, keep fit) but instead represents the experience of the average person. These values come from vast datasets considering the experience of thousands of individuals making them extremely robust. While one individual's experience could be revealing, it could also be misleading as one individual's experience may not be 'typical'. Average values are also very useful in planning activities.
- To ensure the approach is proportionate it uses a set of pre-calculated values, which were selected with 12 housing providers' input to best cover the most popular community investment activity-related outcomes. It does not call for further stakeholder engagement that would give people the opportunity to identify other outcomes that might be important in their context (although due to the nature of the Wellbeing Valuation approach the set of values can be extended in a consistent fashion for any other outcome, constrained only by the availability of relevant data).
- While using the average deadweight figure from HCA Additionality Guidance is an appropriate and proportionate way to prevent over claiming, by nature, sometimes the average will be more than applied, and sometimes less. We are, however, confident this approach achieves a satisfactory level of consistency.
- While the survey datasets are extensive, the approach remains limited by the questions asked within the available survey datasets e.g. the British Household Panel Survey.
- To reduce complexity when applying the values, they have all been calculated as simple binary values. This means that each value represents a move between two situations. For some questions, there are naturally only two answers, e.g. "Are you employed?" – yes or no. However, some have multiple options e.g. "1. Excellent", "2. Good", "3. Fair", "4. Poor". For these types of questions, the answers have been grouped into 'valuable' and 'not valuable'. In the above example, 3 and 4 might be 'not valuable' and 1 and 2 'valuable'. Application of the values is explained in section 4.
- Values can be generated using Wellbeing Valuation for other areas of business, such as housing management and maintenance, or the supply of new homes. The current set of values, however, only contains values associated with community investment work.
- Social impact is an important factor to take into account when making many decisions, but clearly other factors inform decisions. A robust understanding of the social impact is important but should not generally be treated as a blind decision-making tool on its own.

# Headline Wellbeing Values

The table to the right presents the headline wellbeing values that have been calculated in relation to community investment activity. The values provided here are the national averages across all age groups.

The full Social Value Bank contains many more values: for each outcome the value has been differentiated based on the region and age of the person experiencing it. All values are stated per person per year. For more detail on how these values are calculated, please see the companion Methodology Paper.<sup>21</sup>

Please note that the use of the Wellbeing Values is governed by licensing conditions. Please refer to Appendix E for details.

## Employment

OUTCOME	AVERAGE VALUE
Full-time employment	£10,767
Self-employment	£11,588
Part-time employment	£1,229
Government training scheme	£9,447
Secure job	£12,034
Apprenticeships	£1,747
Vocational training	£1,124
Regular volunteering	£2,357
Regular attendance at voluntary or local organisation	£1,773
General training for job	£1,567
Employment training	£807
Employed parent for children (11-15)	£1,700

## Local environment

OUTCOME	AVERAGE VALUE
No problems with teenagers hanging around	£5,760
No problem with vandalism/graffiti	£4,072
Not worried about crime	£11,873
No problem with anti-social behaviour	£6,403
Police do good job	£5,340
No litter problems	£3,555
Able to obtain advice locally	£2,457
Good neighbourhood	£1,747
Feel belonging to neighbourhood	£3,753
Talks to neighbours regularly	£3,848

## Health

OUTCOME	AVERAGE VALUE
High confidence (adult)	£13,080
Relief from depression/anxiety (adult)	£36,766
Good overall health	£20,141
Relief from drug/alcohol problems	£26,124
Smoking cessation	£4,010
Feel in control of life	£12,470
Can rely on family	£6,784

## Financial inclusion

OUTCOME	AVERAGE VALUE
Debt-free	£1,593
Afford to keep house well-decorated	£5,326
Able to save regularly	£2,155
Relief from being heavily burdened with debt	£9,428
Able to pay for housing	£7,347
Financial comfort	£8,917
Access to internet	£1,875
Able to insure home contents	£3,652

## Youth

OUTCOME	AVERAGE VALUE
Go to youth clubs	£2,300
Relief from depression/anxiety (youth)	£11,819
Improvements in confidence (youth)	£9,283
Married parents (youth)	£2,035
Never arrested	£3,684

## Other

OUTCOME	AVERAGE VALUE
Social groups	
Member of social group	£1,850
Active in tenants group	£8,116
Sports (incl. health impact)	
Football	£3,101
Keep fit	£1,670
Walking	£5,281
Yoga or pilates	£2,256
Dance	£3,052
Frequent moderate exercise	£4,179
Frequent mild exercise	£3,537
Other	
Gardening	£1,411
Hobbies	£1,515

“ The values are robust due to the sheer vastness of these datasets and the methods by which they are derived. ”

# Impact Valuation Statements:

## A lightweight framework for measuring social impact



Below, we outline a method for applying the Wellbeing Values to value your activities. Sets of social impact values can be applied in a range of ways, some highly complex, some simple. This method is designed to be proportionate; if you follow it you will get a sound measure of social impact without going to excessive lengths.

If you follow this method you can produce an **Impact Valuation Statement** for your activities which you can share internally and externally to declare your social impact. HACT also offers a Certification process which validates your statement to say you have applied the values correctly.

**The Value Calculator helps you to apply the values to your work. It includes:**

- A spreadsheet to calculate social impact based on your data
- Descriptions of each value and the evidence needed to apply it
- An easy-to-read table of which values can be added together and which cannot
- An automatic average deadweight figure to subtract 'what would have happened anyway'
- Five surveys to collect the evidence needed to apply selected values
- A page summarising results and comparing cost to benefit

HACT is also developing Value Insight<sup>22</sup>, a web-based tool to support housing providers to calculate the social value they create and to represent it on a map, as well as measure local economic impact.

### 4.1 Overview

This framework is designed to provide a proportionate measure of your social impact. Certain trade-offs are made between the precision of results and the workload to obtain them, so a good measure of social impact should be obtained without excessively drawing on resources.

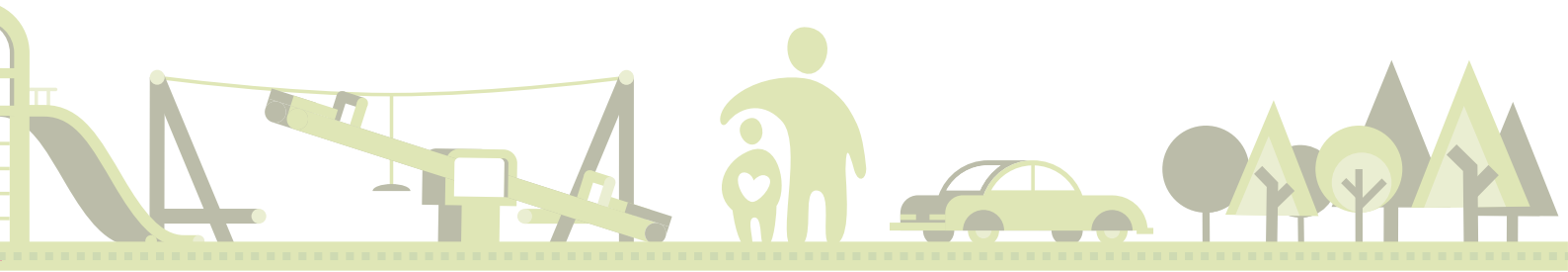
Simply put, the core process is to count the number of people who achieve the outcomes that relate to your activity and multiply them by the values for each outcome. So, if 10 people each get an outcome worth £1,000 and one person gets an outcome worth £5,000 a total of £15,000 of social impact has been measured.

The process that we outline is also useful when planning, in order to establish a projection or set targets. Testing a few options can help you allocate your resources to maximise your social impact.

In the simplest terms:







## 4.2 Types of values

There are different types of values within the Social Value Bank, and these need to be understood to apply them correctly. See the Value Calculator for more details on individual values.

The values fall into two broad categories:

- Activity values
- Outcome values

**Activity values** are those where the social value is obtained by the person simply undertaking an activity. An example of an activity value might be the ‘frequent mild exercise’ value: if we run an exercise club we can count that amount of social value for each person who shows up regularly. You are therefore typically able to measure the average amount of social impact delivered through activity values simply by referring to records of attendance.

**Outcome values** are values that can be applied when we have evidence that something has changed for someone. For some outcomes your records may be enough (e.g. number of people moved into employment) for others, you need to ask participants questions before and after the activity. For example, you might run some budgeting skills sessions with the aim of increasing ‘financial comfort’. To apply the value you need to know that they have moved from a state of low financial comfort to higher financial comfort.

The evidence you need to apply each value is described in the Value Calculator.

## 4.3 Counting people

You will need a way of counting how many people are gaining the benefit. The general types of data that can be relied upon are:

- **Attendance records:** where there is an activity value, by simply referring to attendance records you will know how many people the value applies to.
- **Administrative data:** for some activities you may be counting outcomes anyway for your own records or through your partners (for example, for an apprenticeship scheme you may obtain records from the companies granting apprentice places), and you will be able to refer to these records without having to do any further data collection.
- **Surveying participants:** in some instances the only way of knowing whether an outcome has been achieved will be to ask the participant. Some values in the Social Value Bank have been calculated based on progress up a scale, so you will need to check their level before as well as after (known as pre- and post- surveying).
- **Surveying other beneficiaries:** for some outcomes, the benefit accrues to communities, not generally to the people your activity is engaging with; for example, a successful anti-social behaviour diversion activity will deliver benefits to those who would have suffered the ASB, but is probably delivered through engagement with those who would have committed it. In this case, you will need to survey the people who are expected to get the benefits (such as the neighbours of people you are diverting from ASB).

In each case it is useful to remember that because you are aiming to count the number of people who have gained some benefit something must have changed for them. If the outcome you are counting is full-time employment, for example, the people must have been unemployed beforehand.

## 4.4 Principles

Given that this framework is designed to be proportionate it is particularly important that users follow a few key principles if their outputs are to remain robust.

- When you produce a report using this framework it should be a true and accurate record. This means accurately recording the actual number of people that your activity works with or how many experience a change.
- Particular care should be taken not to overclaim. The framework includes the option to apply an average measure of deadweight<sup>23</sup>, i.e. the people whose wellbeing would have improved even without your activity, but you should take care not to inflate or overestimate your impact.
- Your report should clearly explain any judgements or assumptions you have made. This Guide and the Value Calculator provide thorough guidance but there will undoubtedly be gaps and you need to make an assumption. In this case, you should provide enough information that the reader knows what you have done.

These principles are reflected in the documentation that should be included when publishing an Impact Valuation Statement, detailed in Appendix A.

## 4.5 Planning a programme of social investment

This method of calculating social impact is particularly useful when planning a programme of work because you can test the impact that your programme will have based on a range of assumptions.

You will need to know the following information to be able to apply the values to your work:

### 1. Activities

Each organisation will have a different way of grouping and structuring its activities. For consistency, when we are talking about programmes, projects and activities, we mean as follows:

- |   |  |
|---|--|
| 1. <b>Programme</b> – strategic area                    | e.g. Employment & Training<br>e.g. Health  |
| 2. <b>Project</b> – area of work, a group of activities | e.g. Digital Inclusion<br>e.g. Older people physical health                        |
| 3. <b>Activities</b> – discreet activities              | e.g. IT training, access to IT suite<br>e.g. Healthy eating class, organised walks |

**Knowing the budget allocated for each programme, project and/or activity is essential so returns can be compared to investment.**

### 2. Number of people

As values are applied on an individual basis you need to know the target number of people or participants. The age and region of the country of participants can also give you access to more specific values.

Knowing the age of participants can give you access to more specific values

With this information it is possible to model or predict the results of your community investment activity using the Value Calculator. Follow steps in 4.7 but simply use target figures to project the social impact your activity will contribute to.

## 4.6 Conducting the surveys

Because the values have been calculated using large national survey datasets, each one is related to a specific question. Some of these are factual (e.g. 'Are you employed? If so, are you employed full-time?') while others are based on opinions (e.g. 'How well would you say you yourself are managing financially these days?'). For factual answers there is no need to conduct a survey if you already have accurate information from your records, although you can gather the information by survey if you have no other source for it.

There are five surveys in Appendix B covering different areas, to be completed before and after an activity, to measure the change happening to individuals. If you already use feedback forms or conduct other surveys you can simply add the relevant questions. Each question in the surveys relates to a value. The questions mirror those asked in the national surveys so you should not alter them.

Certain answers are 'valuable' as denoted on the surveys with an asterisk. If a participant **moves to one of these points after an activity** you can apply the value. You should not include the asterisks in the copies of the survey you give to respondents to avoid influencing answers.

You will need to keep a record (using the personal ID) of your responses to see whether participants move between points on a scale. If a participant selects a valuable answer in the before *and* after surveys you should not apply the value; it is only if they move to a valuable answer indicating that a change has happened.

### Example

Participants were asked to rate themselves on this scale before and after a Financial Literacy Course:

The asterisks marks the 'valuable' answers

1. Living comfortably\*
2. Doing alright\*
3. Just about getting by
4. Finding it quite difficult
5. Finding it very difficult

If an individual selected an answer **without** an asterisk before the activity and an answer **with** an asterisk after, you should apply the outcome value.

- 10 participants moved up the scale to select 'Doing alright' or 'Living comfortably' from the non-asterisked answers.
- Two participants improved from finding managing their finance 'very difficult' to 'just about getting by'. No value is applied to this as their answers are not 'valuable'.
- The value is applied in a binary way, which means it is either applied or it's not. This means that moving from 5 to 1 in the scale is effectively the same as moving from 3 to 2. This is a compromise we have made to keep the calculation simple.
- On this basis, the social impact is 10 x the financial comfort value, because 10 people showed movement to 'valuable' answers on the scale.

Remember, some activities have an Activity Value that can be applied to any individual who participates and in addition to any other outcomes.

### Sampling

For most activities the simplest approach will be to monitor the results of all participants or other beneficiaries using one of the methods listed above. For some large programmes, however, it may be acceptable to use sampling. A full description of how and under what circumstances it is appropriate to use a sampling approach is beyond the scope of this paper, and you should only do it if you have the statistical skills to select appropriate samples (such as knowing the right size sample to use and techniques to avoid getting a biased sample). If you do sample, you should explain your method in any report so it is clear what you have done.

### If you cannot do the surveys

If you are unable to do the surveys and so do not know whether or not your participants have changed there is an 'unknown result' you can apply. This is 10% of the value of the whole outcome you are hoping to achieve. This can be added to the activity value if one exists for your activity, as long as the activity value does not clash with the outcome value, as indicated on the 'Relationships' tab of the Value Calculator.

This option inevitably gives you a less accurate result than if you had actually been able to collect the data, so is provided largely to give you a sense of the comparative values between different outcomes on an interim basis until data collection is in place. The Value Calculator flags up the proportion of the social impact that has been calculated using this crude estimate and when producing a report where some of the social value comes from the 'unknown result' value you should explicitly state this.

Check the Value Calculator to see if there is an Activity Value for your activity and if you can use your own records to apply the value.

If you have not done any surveys, you can always apply the 'unknown result' value

## 4.7 Steps to apply the values:

1. Take a look at the 'Value Calculator' spreadsheet before you begin your activity.
2. Key in the date you are entering the data, type your activity into the Activity column and enter the budget for that activity.
3. Select the values relevant to your activity from the dropdown options in the Associated Outcome/value column. Select the activity value if there is one for your activity, then select the other relevant values. See Descriptions and Evidence tab for more detail. Enter a new row for each outcome.
4. Check the 'Evidence you need to apply the value' column to see what you need. If relevant, the survey relevant to your activity will appear in the next column.
5. Check the 'Relationships' tab to see if your values can be added together or if that would be double-counting. If you cannot add them, select the most relevant value.
6. Enter the region of the country you are working in.
7. Use your records, or before and after survey data, to enter the number of participants each value applies to.
8. If you do not have the survey data you need you can:
  - Apply the 'activity value', if there is one available for your activity, then select the outcome value you are aiming to achieve and enter your participant numbers in the 'unknown result' column.
  - If there is not an activity value for your activity, just enter the unknown result value as above.

It may be useful to refer to the worked examples in section 4.9 of this Guide.

If your before and after surveys showed that there was no movement into a significant area, and there is no activity value, then there is no value for this activity.

## 4.8 Dos and Don'ts

1. Do apply the values where you have the necessary evidence as stated in the Value Calculator.
2. Do apply a value to an individual only once e.g. if someone goes on three training courses you only apply one 'training course' value.

3. Don't add values where it would be double-counting. Check the 'Relationships' tab on the Value Calculator.
4. Do apply an activity value if there is one for the activity.
5. Do apply an outcome value based on the surveys, if the surveys show an individual has moved from a 'not valuable' answer before the activity to a 'valuable' answer afterwards.
6. Don't apply a value if the survey responses show no movement to a 'valuable' answer for an outcome.
7. Do apply the 'unknown result' if you have **no data** on what happened to individuals. The amount of social value generated through these 'unknown result' values should be clearly stated in your reports.
8. Do survey (or, if appropriate, sample survey) residents living across the relevant area when interventions may potentially benefit entire neighbourhoods.

## Enter your results into the template...

Date	What's the Activity?	Annual Budget (£)	Associated Outcome/Value	Evidence You Need To Apply The Value	Which Survey? Or Is It An Activity Value	In Which Region Is This Activity	Average Person Value	No. of Participants (+ages)					Total Value	Total minus deadweight
								Unknown	Under 25	25-49	50+	No. with unknown results		
03/02/2014	Job club	£10,500	Full-time employment	Record of individuals moving from unemployment into FT employment	Employment survey	Outside of London	£10,767	2					£21,533	£18,303
			Regular volunteering	Record of individuals with regular voluntary position	Employment survey	Outside of London	£2,357		2				£3,288	£2,664
			Gov training scheme	Record of individuals enrolling on Government training courses	Employment survey	Outside of London	£9,447			5			£60,171	£51,145

Enter your activity.

Select the relevant outcomes/values that are associated with your activity.

The average Wellbeing Value will appear in this column for each outcome you have selected.

Enter the number of participants that each outcome applies to. If you know participants' ages then use the age specific cells. Otherwise use the 'Age unknown' column.

The evidence you need to apply that particular value and the associated survey will appear in the next two columns.

If you do not have the data you need, you can use the 'unknown result' column. Select the outcome you were aiming for and enter the number of participants.

An average deadweight for the area of your intervention will be subtracted from the total to provide an estimate of what your intervention is responsible for.

Check the 'Descriptions and Evidence' tab to see exactly which question relates to your outcome/value.

The total impact will be calculated. Because the age- and region-specific values are used in the calculations, the Total Value shown on a row will typically be a bit higher or lower than if all the participants were counted on the basis of the Average Person Value.

## 4.9 Worked examples

### Example 1:



The table below shows the social impact of job training.

What's the activity?	Annual budget (£)	Associated outcome/value	Evidence you need to apply the value	Which survey? or is it an activity value	In which region is this activity	Average person value	No. of participants (+ages)					Total value	Total minus deadweight
							Unknown	Under 25	25-49	50+	No. with unknown results		
Job training	£3,750	Full-time employment	Record of individuals moving from unemployment into FT employment	Employment survey	Unknown	£10,767	5					£53,833	£45,758
		General training for job	Record of individuals attending training	Employment survey	Unknown	£1,567	30					£47,001	£39,951

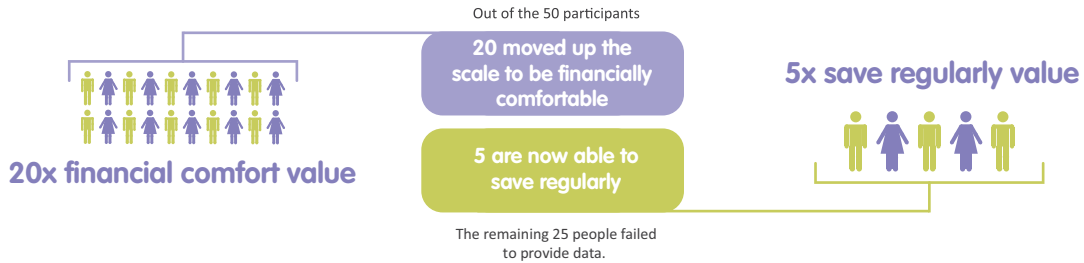
- We type in the activity as 'Jobs Training' in the Activity column
- We select the two relevant outcomes/values that were apparent from our records:
  - o We know that 30 individuals did the training so we can select the activity value for 'General training for job'
  - o 'Full-time employment' is selected for those five people we know have gone on to find a job
- The average values appear in the next column.
- We then enter the number of participants relevant to each outcome. We do not know their age so we enter the numbers in the 'age unknown' column for both outcomes.
- We have left the region as "Unknown" in this case, which will apply national values. You can complete the region column to access geographically-specific values.

The results reveal that £47,001 of social impact has been created from 30 participating in the training and an additional £53,833 of social impact has been created through 5 people finding jobs following the training. This gives a total of £100,834. Following HCA Additionality guidance 15% is subtracted as deadweight to leave a total social impact of £85,709. (calculated on an annual basis)

No surveys were needed to calculate these values, they are based on the housing provider records.

Example 2:

## Financial literacy training for 50 participants Before & after surveys showed



The table below shows the social impact of financial literacy training.

What's the activity?	Annual budget (£)	Associated outcome/value	Evidence you need to apply the value	Which survey? or is it an activity value	In which region is this activity	Average person value	No. of participants (+ages)				Total value	Total minus deadweight
							Unknown	nder 25	25-49	50+		
Financial literacy training	£3,450	Financial comfort	Relevant survey question	Financial Inclusion survey	London	£8,917	20			25	£197,169	£159,707
		Able to save regularly	Relevant survey question	Financial Inclusion survey	London	£2,155	5				£8,992	£7,283

- We type in the activity as 'Financial Literacy Training' in the Activity column.
- We select the two relevant outcomes/values that the before and after surveys revealed to be relevant to this activity. The participants' answers showed what had changed for them:
  - o Financial comfort
  - o Able to save regularly
- We then enter the region this is happening, which is London, and the number of participants relevant to each outcome. We do not know their age so we enter the numbers in the 'age unknown' column for both outcomes.

7. How well would you say you yourself are managing financially these days?	1. Living comfortably*
	2. Doing alright*
	3. Just about getting by
	4. Finding it quite difficult
	5. Finding it very difficult

Twenty participants moved from selecting option 3, 4 or 5 before the training to 1 or 2 after the training. We can therefore apply the 'financial comfort' value to these people.

1. Do you save on a regular basis or just from time to time when you can?	1. Don't know
	2. Yes, on a regular basis*
	3. From time to time*
	4. Other
	5. No or N/A

Five participants moved from option 1, 4 or 5 before the training to 2 or 3 after. We can therefore apply the 'save regularly' value to these people.

As there is no activity value available for financial literacy training you are only able to apply the relevant outcome values.

If a participant selects an asterisked answer both before and after the activity, you cannot apply the value. The participant has to move to one of the asterisked answers in the second survey for the value to be applied.

You can apply a value to the participants who participated but for whom you have no other data in the column headed 'No. with unknown result'. You should enter the participants with unknown results against the outcome that is closest to the aim of the project. This column cannot be used for people that you did gather data for but found that they did not move to an asterisked option.

The results reveal that £197,169 of social impact has been created through 20 people increasing their financial comfort, and 25 with unknown results but also intended to increase financial comfort. Five people being able to save regularly has created £8,992 of social value. This creates a total of £206,161. We subtract 19% as deadweight leaving the final social value at £166,990 over a year.

**Example 3:**

## Dads' & lads' football training of the participants Before & after surveys showed



The table below shows the social impact of dads' and lads' football training.

What's the activity?	Annual budget (£)	Associated outcome/value	Evidence you need to apply the value	Which Survey? Or Is It An Activity Value	In Which Region Is This Activity	Average Person Value	No. of Participants (+ages)					Total Value	Total minus deadweight
							Unknown	Under 25	25-49	50+	No. with unknown results		
Dads' and Lads' football training	£2,755	Can rely on family	Relevant survey question	Your Health survey	Unknown	£6,784		7				£75,983	£61,546
		Football	Record of participant numbers	Activity value	Unknown	£3,101		20				£62,011	£50,229

- We type in the activity as Dads' and Lads' football training in Activity column.
- We select two relevant outcomes/values:
  - o The surveys revealed that 7 of the lads moved into feeling they could rely on their family.
  - o As 20 people attended the football training every week we can apply the football activity value. Some of these participants may not have completed the surveys.

Seven of the lads being able to rely on their family creates £75,983 of social impact. Twenty people taking part in the football activity creates £62,011. This creates a total of £137,994. Following HCA Additionality guidance, the appropriate deadweight is subtracted leaving a total social impact of £111,775. (calculated on an annual basis)

See the Relationships tab to check which values you can add together

**Geographic regions**

There is also the option in the Value Calculator to access specific values based on where you are in the country. The Value Calculator includes values for inside London and outside London, as this is the biggest difference is how the outcomes affects wellbeing.



## 4.10 Interpreting your results

These results create a picture of the overall social impact of your community investment work, offers insight into the different ways your organisation's projects contribute to your social impact, and which projects offer the best return on investment.

For more detailed information on the methodology please see the companion Methodology Paper.

These figures **do not** represent real money, cashable savings or actual financial return. The values do not reflect savings to the state, although they could inform this analysis.

## 4.11 Comparing results

The 'Results' tab on the Value Calculator provides some basic insight into your results. You may want to create graphs or charts to present your data. Whether the social impact value is more than the cost of the activity is a simplistic measure of success so should be used with caution.

Comparing your social impact to someone else's on the face of it is not necessarily a useful measure as you must also consider the cost of the activity. This is why the cost of an intervention should be considered in any comparisons. This is one example of the care needed in benchmarking the headline figures reported between organisations, without considering the assumptions and explanations that lie beneath this figure.

You should only consider the budget spent on the element of the project you are analysing. For example, the budget of employment training is £10,000 and is delivered in two places, North Town and East Town. The results are only recorded at East Town and so the social impact calculations should only be viewed in light of the budget spent at East Town.



# Implications for your business

## 5.1 Using the results

How you use your results is crucial. Without a clear plan of how results will be considered and the decisions they will inform, you risk all your hard work going to waste.

The results can be used to:

- Establish a holistic view of what your community investment achieves
- Conduct Cost-Benefit analysis on different areas of investment
- Inform budget allocation, prioritisation and target-setting decisions
- Influence strategic planning
- Inform development bids and feed into audits (in compliance with the Social Value Act)
- Contribute to organisation-wide value-for-money assessments
- Influence staff culture and organisational approach
- Negotiate with external partners
- Add robust evidence to funding bids

The results also enable you to calculate your overall social impact as a provider, and even as a sector.

Getting your organisation to consider social impact alongside traditional financial accounts and performance indicators, may require engagement with people at all levels from various departments. You may be asking people to think in a different way, and it may take time and engagement to do this.

The following questions can be useful to help think about how to introduce and implement social impact thinking into the structure and processes of your organisation;

- Who within the organisation is aware of this work and welcomes the approach?
- What will be done with the results and analysis? Who will see them?
- How will the results be considered? What decisions could/will they inform?
- What other information would be needed to be viewed with them?
- What will happen next year?

Once you are able to answer these questions you are on the right road to your social impact measurement making a real difference.

Your social impact results are unlikely to be the only source of information to inform these decisions. However, areas that may have previously been informed by anecdote are now measurable. While breaking new ground and being hugely informative, the limitations of the approach should not be forgotten. For example, we should not ignore the knowledge and experience of people on the ground. Similarly, it is not to say that understanding your tenants' wants and needs is not important. The Wellbeing Valuation approach adds a new dimension to help your organisation understand how it impacts on the lives of tenants as they experience and live them.

This framework is designed to provide insight into the social impact of your work and to inform decision making. It is at the moment limited to the values in the spreadsheet but there is scope for this list to grow. These results should be considered alongside other documents and evidence such as:

- Corporate Plan
- Performance Management framework
- Budget analysis
- Financial accounts
- Satisfaction survey results
- Community Insight Community Profiles to provide real-world context
- Your staff's knowledge of your neighbourhoods on the ground

## 5.2 What next?

You can take steps to make sure you get the most from your social impact measurement and to make your results more meaningful and useful:

### Short-term

1. **Keep doing it!** If you measure your results each year you will begin to build up a picture of the change in your neighbourhoods.
2. **Implement or improve data collection systems** to increase the accuracy of your social impact calculations.
3. **Formalise and systematise how your results feed into decision-making** and workflows. This will increase the prominence of the work in your organisation and the likelihood your social impact results will influence change.
4. **Communicate your results** internally and externally. You are at the cutting edge of social impact measurement and are speaking the language of government.
5. Use your evidence when commissioning or procuring services in order to **comply with the Public Services (Social Value) Act**.
6. Sign up to Value Insight, HACT's web-based social impact measurement system. This will automate many elements of the process, and enable you to see your results represented on a map (alongside your stock and neighbourhoods if you are signed up to Community Insight), see data visualisations and reports, and also be able to model potential scenarios of investment.

### Longer-term

7. **Embed a social impact approach across your organisation** to keep up with the shift in the sector towards understanding and measuring a broader concept of value.
8. Introduce wellbeing questions into your STAR (or similar periodic tenant) surveys. This would provide insight into understanding **the life satisfaction of your tenants** and what influences this, including how satisfied they are with you as a landlord.
9. HACT plans to continue work with Daniel Fujiwara to develop values for the social impact of core housing activities. Including these values into analyses could inform investment across the business

HACT is able to support you on a number of these steps. Feel free to get in touch

# FAQs

## General questions

### 1. What is social impact?

Social impact is the difference that you make through the work that you do. Social value is generally used interchangeably with social impact.

### 2. What do the values actually mean?

These values represent the uplift in wellbeing the average individual experiences from taking part in your activity, or the change they feel afterwards. The monetary value is the amount of cash that you would have to give someone to increase their wellbeing the equivalent amount if they had not participated in the activity. For more information on the Wellbeing Valuation methodology see the companion Methodology Paper.

### 3. Why are these values different to those in The Social Impact of Housing Providers Report published in February 2013?

The community investment values in the first report were based on a literature review of other people's analysis. There have since been some developments in the approach and these new values have been derived from our own analysis using the most up to date and advanced methods. This has meant some differences in the values. The new results should be used as they are more accurate.

### 4. What data do I need to collect?

This varies depending on the value you want to apply. Next to the Outcome/Value column in the Value Calculator, you will see in the Evidence column it tells you the evidence you need to apply that value. This ranges from your records such as registers or records of movement into employment to survey questions for the values about change e.g. not worried about crime or financial comfort. If there is a corresponding survey it will appear in the next column.

### 5. How do the surveys work?

The questions in the surveys directly link to the values and need to be asked before and after an intervention. You can do the surveys as they are, or include the questions within your own surveys. The survey results will tell you whether or not you can apply a value. There are 'valuable' answers (marked with an asterisk). If an individual moves from an answer without an asterisk before the intervention to answer with an asterisk after, then you can apply the value. Remember that it is important to remove the asterisk from the surveys you give to people to avoid biasing their answers.

### 6. More than one value applies to my activity? What should I do?

You can apply more than one value but as some values draw on the same area of benefit you cannot use both at the same time as this would amount to double counting. Check the Value Calculator for which values can be added together.

### 7. What if I have not collected any data?

If there is an 'Activity Value', you can always apply that. You can also use the 'unknown result' value which is available for all outcomes. The unknown result value is 10% of the value you would apply if you had evidence of change. The 10% is simply an estimate to give you an idea of the value you are creating and how different areas compare. It is being provided at this stage as a pragmatic option until data collection is more consistently embedded in organisations, and should not be seen as a long-term alternative to recording actual outcomes.

### 8. I do not know for sure how many people came to the activity. Is this a problem?

You can estimate how many people turned up, or use the values to set targets. You must, however, be transparent and state any estimates assumptions or judgements you have made in your analysis.

#### **9. What is this about age group and location?**

Analysis revealed that age was something that significantly influenced how much something affected someone's wellbeing. If you have captured age data on your participants you can apply the age-specific values to your participation data. There are values for <25, 25-49 and 50+. If you have not collected this data you can simply use the 'age unknown' value instead. There is also the option to specify if the activity happened in London or outside of London.

#### **10. How long after an activity should I record results?**

This depends on when it is relevant and appropriate to do so. If you already have a follow up contact with the participants then this is a good opportunity to do it, for example, if you have a review a month after employment training. Otherwise, do the survey at the last contact you have with the individual. Your social impact reporting should be conducted by financial year, as you would do with financial reporting.

#### **11. What time period do these values cover?**

These values represent the increased wellbeing experienced by one individual for a year. It provides an annual snapshot of your community investment activities.

#### **12. How often is 'regular' or 'frequent' as described in the values?**

This varies from value to value. Please see the Value Calculator 'Description and Evidence' tab for further info.

#### **13. We are putting the same value on similar activities as they contribute to the same outcome. How do we know which activity is the best?**

This framework is designed to provide insight alongside other evidence and objectives; for example, your knowledge of your neighbourhoods on the ground, satisfaction surveys and performance management data. These results should inform decisions rather than dictate them.

#### **14. How does Wellbeing Valuation relate to other social impact measurement approaches?**

There is a range of possible ways to measure your social impact including SROI, Cost-Benefit Analysis, Social Audit and Wellbeing Valuation. These approaches are not mutually exclusive and the values in this Guide can be used within an SROI or CBA assuming identified outcomes line up with the existing values.

#### **15. What if an individual participates in more than one activity?**

We do not ask you to keep records of the identity of each individual participating in your activities, rather just to give them an ID so you can assess their before and after surveys. The assumptions of this research include that it is for an average person. You can add up the results, so effectively treat each individual as a new person for each activity. While this compromises the accuracy of the values to a degree, we feel this is a worthwhile trade-off to minimise complexity.

# Glossary

**Activity** The intervention you deliver to try and bring about positive change.

**Causality** The discussion of the relationship between cause and effect.

**Community Insight** HACT's web-based mapping tool for understanding communities through Open Data and other information. Available at [www.communityinsight.org](http://www.communityinsight.org)

**Community investment** Investment into communities with the aim of improving the life chances or situations of individuals within that community.

**Cost-Benefit Analysis** A form of economic analysis in which the costs and benefits of a specific intervention are quantified and compared.

**Counterfactual** What would have happened in the absence of your intervention – 'what would have happened anyway'.

**Deadweight** A measure of the amount of outcome that would have happened even if the activity had not taken place.

**Econometric models** Statistical methods mainly used to assess cause and effect relationships in observational (non-experimental data).

**HM Treasury Green Book** The UK Government's core guide to policy evaluation used by all central UK Government departments, local authorities and other public sector bodies.

**Outcomes** The single specific changes resulting from an activity.

**Intervention** Something you deliver to try and bring about change.

**Participants** The individuals who take part in your activities or interventions.

**Proxy values** An approximation of value, typically obtained through preference-based methods e.g. willingness to pay, willingness to accept.

**Social return on investment (SROI)** is a framework based on seven principles used to understand and measure change. See [www.thesroinetwork.org/](http://www.thesroinetwork.org/) for more details.

**Social impact** is the difference made to individuals, communities and society through interventions and programmes.

**Social value** is generally used interchangeably with social impact.

**Value Insight** HACT's forthcoming web-based tool that supports the process of assessing social impact. [www.valueinsight.org](http://www.valueinsight.org)

**Wellbeing Valuation** An approach to measuring social impact that assesses interventions' impact through the impact they have on people's subjective wellbeing.

**Wellbeing** A broad measure of how well someone's life is going.

**Welfarist** A description of approaches to measuring social impact that assess changes to individuals' wellbeing as a measure of results.

**Willingness to pay** A traditional approach to valuing outcomes where individuals are asked to state what they would be willing to pay for a non-market good. A similar approach is also used in willingness to accept a negative outcome.

# Appendix A

## Documenting an Impact Valuation Statement

Certain formalities should be included in all Impact Valuation Statements to ensure that they can be compared with one another. Each one should include near the start a signed and dated declaration reading:

I confirm that this Impact Valuation Statement is, to the best of my knowledge, a true and accurate record of the social impact of the stated interventions, and that the relevant rules of application have been followed.

Signed:

Date:

The cost of the project or programme being valued should be clearly stated and it should be made clear where full records of expenditure are not available.

The following descriptions should be included at the back:

### **What is an Impact Valuation Statement?**

This report has been prepared as an Impact Valuation Statement. Impact Valuation Statements are intended to give a true and accurate view of social impact related to an activity or programme of activities. Due to the complexity of trying to measure all of the other things going on in people's lives at the time of the activities, it gives an indication of the impact that activities have contributed to, with some adjustments to seek to estimate the specific impact of the activities.

### **What are the simplifying assumptions used in creating an Impact Valuation Statement?**

As noted above the Impact Valuation Statement measures overall improvements and does not directly identify the activities' specific contribution to it. To give a better estimate of the activities' specific impact an adjustment has been made that reduces the value by a percentage to try to account for the social improvements that would have happened anyway in the absence of the activities. This is known as a 'deadweight adjustment', and is made on the basis of the average deadweight for different categories of activities.

Also, Impact Valuation Statements draw upon the robust valuations of the social impact of different outcomes and activities, contained within the Social Value Bank. However, these values are stated as the value per person per year. For the purposes of an Impact Valuation Statement we simply take that value and do not try to make an assessment of whether the people benefiting from our activities obtain benefits that might last for less than or more than a year.

The following elements must also be included where they are relevant:

If you have used any sampling techniques in the calculation of social impact (i.e., assessing the impact for fewer than 100% of the beneficiaries and scaling up) then you should provide clear details of your method. At a minimum this should include the size of the overall population, the sample size and a brief description of how you created the sample.

In some instances the method provides for the use of an 'unknown' value (10%) where you do not have data on the actual outcomes. If you have used these at any point you should detail them in a section titled "Estimates and assumptions".

If you have made any other assumptions in calculating your values you should include these in the "Estimates and assumptions" section, and describe them in sufficient detail so it is clear what you have done.

# Appendix B

## Surveys

The asterisks on these surveys indicate the 'valuable' outcomes in each instance. They are included here so you have the information necessary to process the results, but should be deleted before you get anyone to complete the survey so that they do not lead the respondents to choose particular options.

Name/Person ID \_\_\_\_\_ Postcode \_\_\_\_\_ Date \_\_\_\_\_

Age (Please tick):    under 25             25-49             50+

### Employment

(Draw a circle round your answer)

1. Are you employed?	1. Yes*
	2. No
2. If you are employed, are you...	1. Full-time employed*
	2. Part-time employed*
	3. Self-employed*
3. If you have recently moved from unemployment to full-time employment, how satisfied are you with your job security?	1. Not satisfied at all
	2. Mostly dissatisfied
	3. Somewhat dissatisfied
	4. Not satisfied or dissatisfied
	5. Somewhat satisfied*
	6. Mostly satisfied*
	7. Completely satisfied*
	8. Not applicable
4. Do you volunteer at least once a month?	1. Yes*
	2. No
5. Do you attend local voluntary groups at least once a month?	1. Yes*
	2. No
6. If you have recently moved from unemployment to employment, how many children do you have aged between 11-15?	1. None
	2. 1*
	3. 2*
	4. 3+*
	5. Not applicable



Name/Person ID \_\_\_\_\_ Postcode \_\_\_\_\_ Date \_\_\_\_\_

Age (Please tick):      under 25               25-49               50+

**Financial inclusion**  
(Draw a circle round your answer)

1. Do you save on a regular basis or just from time to time when you can?	1. Don't know
	2. Yes, on a regular basis*
	3. From time to time*
	4. Other
	5. No or N/A
2. Do you currently owe any money or have debts to pay? (do not include mortgages or credit cards etc being paid off this month)	1. Yes
	2. No*
3. If you are in debt, how much of a burden is that debt?	1. Heavy burden
	2. Somewhat of burden*
	3. Not a problem*
4. In the last 12 months have you had any difficulties paying for your accommodation?	1. Yes
	2. No*
5. Are the contents of your home insured against theft?	1. Yes*
	2. No
6. Do you have enough money to keep your home in a decent state of decoration?	1. Yes*
	2. No
7. How well would you say you yourself are managing financially these days?	1. Living comfortably*
	2. Doing alright*
	3. Just about getting by
	4. Finding it quite difficult
	5. Finding it very difficult
8. Do you have regular access to the internet?	1. Yes*
	2. No

Name/Person ID \_\_\_\_\_ Postcode \_\_\_\_\_ Date \_\_\_\_\_

Age (Please tick):    under 25             25-49             50+

## Your local environment

(Draw a circle round your answer)

1. How much of a problem are teenagers hanging around on the streets?	1. Very big problem
	2. Fairly big problem
	3. Not a very big problem*
	4. Not a problem at all*
2. How much of a problem is vandalism, graffiti and other deliberate damage to property or vehicles?	1. Very big problem
	2. Fairly big problem
	3. Not a very big problem*
	4. Not a problem at all*
3. How worried are you about being a victim of crime?	1. Very worried
	2. Fairly worried
	3. Not very worried
	4. Not at all worried*
4. How would you rate the level of anti-social behaviour?	1. High
	2. Low*
5. How good a job are the police in this area doing?	1. Excellent*
	2. Good*
	3. Fair
	4. Poor
6. How much of a problem is rubbish or litter lying around?	1. Very big problem
	2. Fairly big problem
	3. Not a very big problem*
	4. Not a problem at all*
7. Overall do you think your neighbourhood is a good or a bad place to live?	1. Good*
	2. Bad
	3. Mixed

8. 'I feel like I belong to this neighbourhood'	1. Strongly agree*
	2. Agree*
	3. Neither agree/disagree
	4. Disagree
	5. Strongly disagree
9. 'I regularly stop and talk with people in my neighbourhood'	1. Strongly agree*
	2. Agree*
	3. Neither agree/disagree
	4. Disagree
	5. Strongly disagree
10. If I needed advice about something I could go to someone in my neighbourhood'	1. Strongly agree*
	2. Agree*
	3. Neither agree/disagree
	4. Disagree
	5. Strongly disagree

Name/Person ID \_\_\_\_\_ Postcode \_\_\_\_\_ Date \_\_\_\_\_

Age (Please tick):    under 25             25-49             50+

## Your health

(Draw a circle round your answer)

1. Thinking back over the last 12 months, how would you say that your health has been on the whole, compared to people of your own age?	1. Excellent*
	2. Good*
	3. Fair
	4. Poor
	5. Very poor
2. Do you suffer from depression or anxiety?	1. Yes
	2. No*
	3. Prefer not to answer
3. Have you recently been losing confidence in yourself?	1. Not at all*
	2. No more than usual
	3. Rather more than usual
	4. Much more than usual
4. Would you say you had a problem with drugs or alcohol?	1. Yes
	2. No*
	3. Prefer not to answer
5. Do you smoke cigarettes?	1. Yes
	2. No*
	3. Prefer not to answer
6. How much can you rely on your family if you have a serious problem?	1. A lot*
	2. Somewhat
	3. A little
	4. Not at all
7. 'I feel that what happens to me is out of my control'	1. Often
	2. Sometimes
	3. Not Often*
	4. Never*

Name/Person ID \_\_\_\_\_ Postcode \_\_\_\_\_ Date \_\_\_\_\_

Age (Please tick):    under 25             25-49             50+

## Youth

(Draw a circle round your answer)

1. How often do you go to youth clubs, scouts, girl guides or other organized activities?	1. Most days*
	2. More than once a week*
	3. Less than once a week*
	4. Hardly ever
	5. Never
2. Have you had any nights in the last week when you lost sleep worrying or any days in the last week when you felt unhappy?	1. Yes
	2. No*
	3. Prefer not to answer
3. I never feel useless	1. Strongly agree*
	2. Agree*
	3. Disagree
	4. Strongly disagree
4. Have you ever been arrested by the police for any reason?	1. Yes
	2. No*
	3. Prefer not to answer
5. Are your parents currently married?	1. Yes*
	2. No
	3. Prefer not to answer

# Appendix C

## Introduction to Wellbeing Valuation

HACT has worked in partnership with Affinity Sutton, Catalyst, the Brigantes Group in the Northwest, and One Housing Group (OHG) to develop a simple yet robust approach to measuring social impact for the housing sector.

### **Social impact measurement**

Market values for outcomes such as volunteering or increased confidence do not exist because they cannot be bought or sold. However, it is useful to be able to measure these things so you can make assessments and judgements on the success of your community projects.

Popular measurement approaches such as Social Return on Investment (SROI) attach financial 'proxies' to these kinds of outcomes. These proxies are typically developed through different methods making comparisons problematic. Together with time-consuming data collection, specialist knowledge and considerable resource demands, this has led to reports that existing approaches can be a poor fit for social housing providers.

### **What is Wellbeing Valuation?**

The latest thinking to judge the success of a project or policy is to assess how it affects people's wellbeing, known as a 'welfarist' approach. This approach to evaluation is increasingly dominating thinking on impact measurement in governments, international organisations and the charity and not-for-profit sectors.

Rather than asking people about how much something has improved their life, which introduces psychological complexities and extensive primary data collection, Wellbeing Valuation analyses existing vast datasets from national surveys which instead *reveal* effects on wellbeing. These surveys ask an individual to rate their life satisfaction or wellbeing and then ask hundreds of other questions about their life.

Analysis can isolate the impact of any specific aspect of life on wellbeing. We can then value this by finding from the data the equivalent amount of money needed to increase someone's wellbeing by the same amount.

### **What are the strengths of Wellbeing Valuation?**

Wellbeing Valuation is the latest thinking in social impact measurement and provides an approach that is both robust and internally consistent. It offers the opportunity to focus on what matters yet does not require specialist knowledge or skills and is cost-effective as the datasets are already available. A wellbeing value can be derived for any aspect or life circumstance asked about within the surveys, making the application of the approach hugely broad and versatile, with a reach far beyond housing.

The Public Services (Social Value) Act 2012<sup>24</sup> requires the consideration of social value in the commissioning and procurement of public services. Wellbeing Valuation supports you to comply with this. The Wellbeing Valuation approach follows HM Treasury Green Book guidelines<sup>25</sup>, the UK Government's core guide to evaluation used by all central government departments, local authorities and public sector bodies.

HACT is working with Daniel Fujiwara, a senior econometrician, currently based at the London School of Economics (LSE), who is leading development on the Wellbeing Valuation approach for government.

## HACT and Wellbeing work

1. With funding from Affinity Sutton and Catalyst, HACT worked with Daniel Fujiwara to create the Social Value Bank using the Wellbeing Valuation approach. The Social Value Bank is a comprehensive set of wellbeing values relevant to housing provider community activities e.g. moving into employment, increased financial comfort. This enables you to put a social value on your community-focussed activity.
2. In partnership with the Brigantes Group and OHG, HACT and OCSI are developing a web-based service called Value Insight to make it simple to apply these values to your work. You will upload your community investment activities' details and data. The system will then assess and measure your social impact results, create visualisations of the data and represent this on a map. Value Insight will be tested in early 2014 and will be on the market soon after.

The partner housing providers have fed into the development of the system to ensure the system meets their needs and is straight-forward and easy to use. Value Insight will also offer you the opportunity to measure the local economic impact of your organisation through staff salaries and procurement practices.

3. HACT is offering housing providers the opportunity to add standard wellbeing questions to their STAR surveys. Subsequent analysis of this data will provide tailored insight into how satisfied your tenants are with their lives. This could be compared to the general population, as well as enabling us to isolate how your tenants' wellbeing is influenced by number of things such as their satisfaction with you as their landlord, or how quickly their repairs are done.

If you would like to know more about any elements of this work or are interested in getting involved please get in touch with HACT at [info@hact.org.uk](mailto:info@hact.org.uk)

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**“ Wellbeing Valuation is the latest thinking in social impact measurement and provides an approach that is both robust and internally consistent. ”**

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# Appendix D

## Profiles

### HACT

HACT is a charity, social enterprise and industry-focused think/do tank established by the housing association sector. We seek to influence and innovate in ways that help all housing providers deliver more effectively within their communities.

HACT believes that the provision of housing is about more than just bricks and mortar – that housing providers are at their most successful when they focus on the social value they create, engage with and invest in their communities and actively seek to identify and meet the needs of those who live in them.

### Daniel Fujiwara

Daniel Fujiwara is Director of Social Impact Metrics (SImetrica) and is a researcher at the Centre for Economic Performance at the London School of Economics. Daniel is an economist specialising in policy evaluation and social impact measurement and he has over 10 years of experience working in government and international organisations. He has held senior positions in UK Government, is currently scientific advisor to the SROI Network, and works with a number of OECD governments and international organisations.

Previously Daniel was head of Cost-Benefit analysis at the Department for Work and Pensions (UK) and has held senior economist positions at the Cabinet Office (UK) and the Ministry of Finance (Tanzania) and research positions at the United Nations (UNDP and UNOPS). He was a lead adviser on valuation techniques for non-market goods in the UK Government and in 2011 he was awarded the John Hoy Memorial Prize in Economics for his contribution to policy evaluation in the UK Government. In his current role as a consultant he has worked with and advised a large number of high-profile organisations on social impact measurement and evaluation, including the governments of the UK, USA and Poland, the World Bank, the OECD, PricewaterhouseCoopers, Kraft foods and Danone.

Daniel holds a BSc and MSc in Economics and is finalising PhD in policy evaluation methodology at the London School of Economics. He is also a referee for a number of academic journals.

# SIMETRICA



# Appendix E

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- A registered housing association or ALMO; or
- Any other person or organisation whose verifiable turnover in its last financial year was less than £350,000

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# Endnotes

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21. <http://www.hact.org.uk/social-value-publications>
22. [www.valueinsight.org](http://www.valueinsight.org). The tool works in a similar way to Community Insight but will easily map, model and report on your social impact alongside your stock and defined neighbourhoods.
23. <https://www.homesandcommunities.co.uk/news/hca-publish-public-sector-economic-appraisal-guide>
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