# Communities count – the four steps to unlocking social value

Social value is about identifying and making the most of public and other spending so that people, their communities and society feel the maximum benefit of that investment. For Britain's future, it is increasingly important to promote economic growth alongside social wellbeing and minimising environmental damage.

Housing associations and local authorities are well positioned to create this future. With billions of investment in new homes and a growing need to transform services, there is a significant opportunity to create social value: more jobs, stronger local economies, healthier residents and vibrant communities.

We wanted to find out if the Social Value Act has made a difference to seizing that opportunity, and how every public body can truly build social value into their organisation. To that end, we interviewed 77 local authorities and 123 housing associations – the most comprehensive survey to date into how they are seeking to create social value.

The report aims to provide clear ways to meet this challenge by indicating: key **steps** to follow, **findings** to support and inform, and practical **recommendations** to action.

We have concluded that there are **four steps to unlocking social value**:



### 1) Define the vision

Organisations who are best placed to achieve social value have a clarity of vision and a definition about what difference they want to make locally, with leaders who can articulate this.

# 2) Integrate across the business

The vision for social value must be integrated across all services and operations, and involve stakeholders in design and delivery.

# 3) Deliver through partnership

The challenges are complex: so maximizing social value is best addressed through strong, cross-sector, long-term partnerships where priorities are aligned.

## 4) Measure the difference

The important changes and benefits delivered must be evidenced and communicated: it is essential to be able to measure and report the social value that is being created.

# Key recommendations for housing associations and local authorities:

- 1) Adopt a written policy and a nominated lead for social value
- 2) View social value as a route to innovation and cost savings, not just as the creation of positive social outcomes or, worse, compliance to the Social Value Act
- 3) Integrate and consider social value across all services, regardless of size
- 4) Work with, buy from, start-up and support social enterprises to help deliver social value
- 5) Measure the social value being created against what is trying to be achieved, and throughout the length of contracts.

# Key findings: trends and insights

- 1) Social value can deliver cost savings and better services. More than half of respondents (52%) said delivering social value leads to cost savings, and more than two-thirds said it led to 'better service delivery' (71%) and 'opportunities for innovation' (70%).
- **2)** Social value improves external relationships. 82% of those surveyed reported that delivering social value had led to an 'improved image of their organisation', while 78% said it had led to 'better community relations'.
- **3)** Only a third of organisations are *not* considering social value across all services. 66% of organisations currently consider social value across *all* the services they procure.
- **4)** Social value leadership is crucial. Two thirds of respondents said their organisations have a nominated lead for social value: these organisations face fewer challenges in delivering and measuring social value.
- **5)** The Social Value Act has had limited impact so far. The Act has created step-changes in how some

- organisations consider social value: but only 39% said it has had a high impact.
- **6)** Current priorities are employment and jobcreation. 80% of respondents stated employment as a key local social value priority.
- **7)** Social enterprise is a route to social value. 90% of respondents were very satisfied or satisfied that social enterprise was a route to delivering social value.
- **8)** Measurement is the biggest challenge. 53% identify measurement as the main barrier *during* the commissioning process and 55% as the main barrier *post*-commissioning in contract management.
- 9) Measurement improves with clarity of purpose. 37% have a written social value policy: they are far more likely to have a method for measuring social value.
- **10) Size matters.** Smaller housing associations and local authorities tend to be less advanced in terms of social value policies, definitions and measurement.

# Commitments + future actions

The partners – Social Enterprise UK, Wates Living Space, Orbit Group, PwC, Chartered Institute of Housing – see this report as the first part of a programme of practical work. We are committing to key actions in areas raised within the report:

# Better central information and sharing of good practice:

- SEUK will share good practice examples via a forthcoming online social value hub
- SEUK and CiH will work together to disseminate clear guidance on the Act.

# Practical guidance in key areas:

- · Orbit will work with partners to create a practical procurement guide to social value
- $\bullet \quad \text{SEUK and PwC will work together on proportionality standards and measurement advice}.$

# Promoting long-term partnership working:

- Wates and PwC will make local / regional offices available for consultation, engagement and convening interested parties
- $\bullet \quad \text{Wates and partners will identify suitable sites for a practical social value pilot project}\\$
- SEUK and PwC will commit to a social value tracker, updating this survey on an annual basis.

We are committed to moving from research into action in partnership – join us and work with us on the next step of the journey.









