



Maximising social value for Local Authorities:

best practices and strategies for success



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Introduction

Social value refers to the wider social, economic, and environmental benefits that arise from public sector activities. It encompasses efforts to improve community well-being, enhance environmental sustainability, and promote social equity.

For local authorities, integrating social value into their operations ensures that public spending delivers not only essential services but also broader benefits that strengthen communities, promote equality, and enhance the quality of life. By focusing on social value, local authorities can address pressing social issues and contribute to long-term community resilience.

This guide aims to provide local authorities with practical strategies and best practices for embedding social value into their everyday operations. It outlines how social value can be integrated from project inception through to evaluation, helping authorities maximise the positive impacts of their activities.

Each chapter provides insights into different aspects of social value, ensuring that local authorities are equipped to deliver meaningful and measurable outcomes for their communities.



Chapter 1: A brief history of Social Value

The concept of social value in public sector gained prominence with the introduction of the Public Services (Social Value) Act 2012. This legislation required public authorities to consider how the services they procure might improve the economic, social, and environmental well-being of their communities. The Act emerged from a growing recognition that public spending should deliver more than just economic efficiency—it should also contribute to the broader social good.

This legislative framework provided the foundation for local authorities to embed social value into their procurement processes, ensuring that public services not only meet immediate needs but also meaningfully enhance community welfare. The Act was also a response to the wider public sector equality duty under the Equality Act 2010, which compelled authorities to consider how their actions could reduce inequalities and promote social cohesion.

East Riding of Yorkshire Council's Social Value Journey

East Riding of Yorkshire Council (ERYC) exemplifies how a local authority can go beyond simple compliance with social value legislation to become a leader in creating tangible community benefits. Their journey began in 2012, coinciding with the economic challenges brought on by European austerity measures. During this time, ERYC

was involved in the Interreg 4C project, which focused on using volunteerism as a pathway to employment. However, proving the value of volunteerism in the face of rising unemployment was challenging, prompting ERYC to seek a more nuanced way to measure social outcomes.

In response, ERYC, in partnership with Rose Regeneration, developed the Social Value Engine. This tool was initially a basic spreadsheet but has since evolved into a sophisticated online platform underpinned by rigorous academic and government research. The Social Value Engine enables ERYC to quantify the often intangible outcomes of community-focused projects, translating them into economic terms. This demonstrates the real impact of their initiatives, from supporting rough sleepers to running infant massage courses in deprived areas.

The journey was not without challenges. Internally, ERYC faced scepticism from various departments that questioned the necessity of measuring social outcomes. Externally, they had to help community organisations articulate their value in a highly competitive funding landscape. Overcoming these challenges required strategic internal advocacy and support for external partners, ensuring that the concept of social value was embraced across the board.

Over the past decade, ERYC has applied the Social Value Engine to a wide range of projects, achieving significant community benefits. A notable example is their work with a refugee project, where the ability to quantify social value was pivotal in securing substantial external funding. Their experience underscores the importance of starting small, gradually expanding the scope of social value application, and engaging stakeholders early in the process.

As they continue to refine their approach, ERYC remains committed to using social value as a tool for enhancing community wealth and delivering solutions tailored to their local context. Their decade-long commitment to social value serves as a model for other local authorities, demonstrating that with the right tools and strategies, it is possible to bridge the gap between social initiatives and their economic valuation.



Chapter 2: Embedding social value into organisational culture

Embedding social value into an organisation's culture requires moving beyond the confines of procurement and involving broader teams, particularly those focused on economic development and regeneration. These teams

play a key role in driving social value initiatives that align with local economic strategies, ensuring that projects contribute to both community well-being and economic growth.

Obtaining organisational buy-in and the importance of shared responsibility

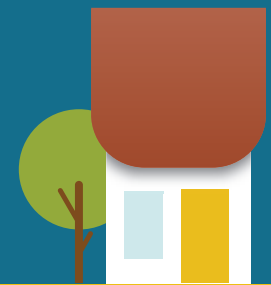
For social value to become embedded within an organisation, it must be viewed as a collective responsibility rather than the sole domain of a specific department. Achieving organisational buy-in is essential and requires clear communication of the benefits that social value can bring, both to the community and to the organisation itself. Leadership must set the tone, but success depends on every department recognising its role in delivering social value. This shared responsibility can be fostered through training, internal advocacy, and highlighting successful case studies where social value has led to positive outcomes.

Integrating social value into organisational culture involves a multi-faceted approach. First, it is essential to establish clear social value policies that outline the organisation's commitments and expectations. These policies should be aligned with the organisation's overall strategic goals and should be regularly reviewed and updated to reflect changes in community needs and priorities.

Secondly, organisations should provide training and resources to staff across all departments, ensuring that everyone understands the importance of social value and

how it can be integrated into their daily work. Encouraging cross-departmental collaboration is another effective strategy, as it allows different teams to share insights and develop holistic approaches to social value.

Lastly, it is important to establish mechanisms for measuring and reporting on social value outcomes. This not only helps to track progress but also demonstrates to stakeholders—both internal and external—the tangible benefits of social value initiatives. By showcasing these successes, organisations can build momentum and embed social value into their culture.



Chapter 3: Embedding social value into organisational culture

Effective social value delivery begins at the inception of a project. Early planning allows organisations to set clear objectives and anticipate the potential social, economic, and environmental impacts of their activities. By forecasting social value, organisations can align their projects with community needs and strategic goals from the outset, ensuring that the intended outcomes are realistic and achievable. Early planning also facilitates a smoother evaluation process, as baseline data and metrics are established upfront, making it easier to measure and report on the actual impact once the project is completed.

Involving stakeholders early in the planning process is crucial to the success of social value initiatives. Stakeholders including community members, local businesses, and partner organisations, bring valuable perspectives that can help shape the project to better meet local needs. Engaging stakeholders from the beginning

ensures that their views are incorporated into the project design, fostering a sense of ownership and increasing the likelihood of achieving meaningful outcomes. Additionally, stakeholder involvement can help identify potential challenges and opportunities that may not be immediately apparent, allowing for more effective risk management and project adaptation.

Impact questions

To maximise the impact of projects, it is essential to adopt an “impact thinking” approach, which involves asking key questions throughout the planning and delivery cycle. These questions help guide decision-making and ensure that resources are used effectively to create the most significant positive impact. The impact questions, created by Social Value UK, are:

1. **What is the change we are trying to achieve?** – Clearly define the intended impact of the project.
2. **Who will experience this change?** – Identify the specific groups or individuals who will benefit.
3. **How significant is the change?** – Assess the importance and scale of the expected impact.
4. **What would happen without the project?** – Consider what the situation would be if the project did not go ahead.
5. **Are there any unintended consequences?** – Evaluate potential negative impacts alongside the positive outcomes.
6. **How will we measure success?** – Establish metrics and indicators to track progress.
7. **What resources are required?** – Determine the inputs needed to achieve the desired impact.
8. **Who is responsible for achieving this impact?** – Assign clear roles and responsibilities.
9. **How will we communicate the impact?** – Plan how to share the results with stakeholders.
10. **What are the long-term implications?** – Consider the sustainability and lasting effects of the impact.

By asking and answering these questions, organisations can ensure that their projects are designed and delivered, focusing on maximising positive outcomes.



Chapter 4: Social value principles and guidance

The 8 Social Value International principles provide a structured approach to measuring and managing social value. These principles are:

1. **Involve stakeholders:** Engage those who are affected by your activities to ensure their perspectives shape the outcomes.
2. **Understand what changes:** Clearly identify the positive and negative changes resulting from your activities.
3. **Value the things that matter:** Use monetary values to quantify the importance of different outcomes.
4. **Only include what is material:** Focus on the outcomes that are significant to stakeholders.
5. **Do not over-claim:** Attribute the impact accurately, acknowledging the contribution of others.
6. **Be transparent:** Clearly report the processes, assumptions, and outcomes of your social value assessments.
7. **Verify the result:** Ensure that your social value claims are independently verified to maintain credibility.
8. **Embed the principles:** Integrate these principles into your organisational culture to consistently manage and measure social value.

Adhering to these principles brings several benefits. It ensures consistency and reliability in measuring social value, making it easier to compare and communicate results. This standardised approach also enhances credibility with stakeholders, including funders and the community, by providing a clear and transparent method for assessing impact.

Additionally, following established guidance allows organisations to avoid common pitfalls, such as over-claiming or neglecting important outcomes, leading to more accurate and meaningful social value reporting.

Understanding social value proxies and their role in measurement

Social value proxies are essential tools in the quantification of social outcomes, especially when direct measurement is challenging. Proxies assign a monetary value to non-financial outcomes, such as improved health or increased community cohesion, allowing these impacts to be incorporated into cost-benefit analyses.

Using proxies enables organisations to translate qualitative outcomes into quantifiable metrics, making it easier to demonstrate the social return on investment (SROI) and communicate the effectiveness of their initiatives to stakeholders. The Social Value Engine regularly checks the validity of its proxies, using the latest research, to ensure the monetary values are trustworthy.



Chapter 5: The Social Value Engine – 10 years of social value creation

Over the past decade, the Social Value Engine (SVE) has played a pivotal role in helping organisations measure and maximise their social value. Co-created by East Riding of Yorkshire Council and Rose Regeneration, the SVE has evolved from a simple tool into a sophisticated platform that supports a wide range of projects across the UK. The engine allows users to quantify social return on investment (SROI), providing a clear and consistent way to demonstrate the value of their work. By offering robust, evidence-based insights, the SVE has enabled local authorities and other organisations to make informed decisions that drive positive change in their communities.

The success of the SVE is reflected in its widespread adoption and the tangible benefits it has helped deliver over the years. From supporting local employment initiatives to enhancing public health outcomes, the SVE has been instrumental in translating social outcomes into quantifiable metrics that stakeholders can understand and value.

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Conclusion

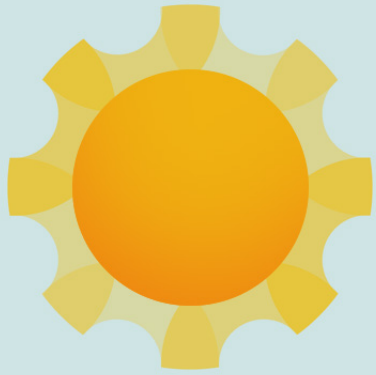
The chapters in this guide have outlined key strategies for embedding social value into organisational practices, from understanding its legislative underpinning to implementing it at every stage of a project's lifecycle. By adhering to established principles and utilising tools like the Social Value Engine, organisations can ensure that they are not only meeting their social value obligations but also making a meaningful impact on their communities.

The future of social value lies in continued innovation and adaptation. As societal needs evolve, so too must the methods we use to measure and deliver social value. The Social Value Engine will continue to be a vital resource for organisations seeking to maximise their positive impact.

For those interested in enhancing their social value initiatives, we encourage you to get in touch with the Social Value Engine team. Whether you are looking to start your social value journey or to refine your existing practices, the SVE offers the tools, expertise, and support needed to achieve your goals.

Lexicon

- **Value map:** A visual tool that illustrates how resources (inputs) lead to social outcomes. More details can be found at: <https://socialvalueuk.org/resources/sroi-value-map>.
- **Impact questions:** Essential questions used throughout the planning, implementation, and evaluation of social value initiatives.
- **Inputs:** The financial and non-financial resources required to carry out activities.
- **Outputs:** The tangible results of activities, typically expressed in numerical terms.
- **Outcomes:** The changes in well-being or circumstances that occur as a result of activities, which can include both intended and unintended effects. These may follow a sequence from outputs to changes in knowledge, behaviour, and ultimately well-being.
- **Value:** The relative importance of different changes or outcomes.
- **Impact:** The extent to which changes in outcomes are directly attributable to the activities.
- **SROI (Social Return on Investment):** A method for measuring and valuing the social, economic, and environmental outcomes of a project in monetary terms.
- **Deadweight:** The portion of outcomes that would have happened even without the intervention.
- **Displacement:** The extent to which the positive outcomes of an intervention are offset by negative outcomes elsewhere.
- **Attribution:** The process of determining how much of the change in outcomes is due to the intervention.
- **Drop off:** The decrease in impact over time, showing how much of the initial change persists as time passes.



This guide was developed by the Social Value Engine, a platform for measuring and analysing social value. The Social Value Engine was jointly designed by Rose Regeneration and East Riding of Yorkshire Council to enhance the accuracy and transparency of social value assessments.

For more information, please visit www.socialvalueengine.com