



The social value of social homes in Scotland

Year 1 2022: waves 1 and 2 data
collection report

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1. Introduction

Background

Understanding the social value of social homes project is a three year primary data research project which commenced in Autumn 2021 as a partnership between Shelter Scotland and the Housing Associations' Charitable Trust (HACT) with support from an expert advisory panel and involvement from 14 participant organisations (see acknowledgements section on page 14).

This report presents data and findings from the first full year of the project (Year 1 2022) containing waves 1 and 2 data collection and analysis, as part of the wider project aiming to measure social value generated through new social tenancies in newly built, refurbished and non-refurbished social housing stock in Scotland.

The survey methodology and data collection are based on the research framework evaluation developed in collaboration with the expert advisory panel from January to April 2022. The panel consisting of experts from the social housing, public, academic and voluntary sectors.

Wave 1 data was collected by 15 September 2022 and reported in an initial baseline report produced in October 2022.

Wave 2 data is a combination of pre-occupancy and post-occupancy surveys collected by 31 December 2022.

Wave 3 data will be a combination of pre-occupancy and post-occupancy surveys with a deadline of 15 December 2023.

Wave 4 data will be a combination of pre-occupancy and post-occupancy surveys with a deadline of 15 December 2024.

Research aims

The project aims to:

- Broaden the understanding of experiences of new social tenancies in new build and refurbished properties (both new tenancies and transfer from existing social

tenancies) to help understand the social outcomes generated from individual perspective.

- To connect and link data collected on the lived experiences of living in social tenancies to the objectives of the Scottish Affordable Housing Supply Programme (AHSP) 2021-2026 programme, the national performance framework, national housing and regeneration outcomes and other stakeholder strategies.
- Engage with a wide variety of participant social housing organisations over three years to create a robust dataset to understand the role of Social Housing in resolving homelessness, improving affordability, improving physical housing conditions, improving energy efficiency, creating a positive environmental impact, improving neighbourhood cohesion and providing more suitable and specialist housing.
- To produce information and insights to strengthen the case for more social housing and tenancies.
- To understand better how social housing and social tenancies impact on individuals, their health, financial, employment, wellbeing, and economic outcomes.
- To understand how new social housing development impacts on local communities and the wider environment.

Methodology

There are eleven Registered Social Landlords (RSLs) and three Local Authorities participant organisations actively engaged in Year 1 of the project. Participant organisations are using specifically designed pre-occupancy and post-occupancy surveys to understand key social outcomes.

The pre-occupancy survey is the first step in establishing what and to what extent social value outcomes are realised in social tenancies (new, refurbished, and non-refurbished social housing). Together with post-occupancy surveys, the surveys capture changes in resident's lives and experiences.

1. Introduction

continued

If they participated in wave 1, a resident may provide data over a maximum of three years of a tenancy at four touchpoints (pre-occupancy, post-occupancy 3-6 months and two annual post-occupancy reviews). The surveys assess the changes in people's experiences and in relation to wellbeing, health, and economic circumstances.

The surveys will compare experiences from previous circumstances (including tenancy), housing and community inclusion, to experiences in the new social tenancy. It is hoped that as many residents as possible will be additionally surveyed annually over the subsequent years of their tenancy to monitor how sustained impacts are.

The surveys measure a range of experiences in respondents' previous properties/tenancies and then review these in their new properties/tenancies. Wave 1 data is the first pre-occupancy surveys taking place prior to or immediately at the start of the new social tenancy with the post-occupancy survey will involve a follow up after 3-6 months and then two further annual surveys.

Wave 2 data contains the first project post-occupancy survey data available (3-6 months after the pre-occupancy survey). Data is collected by the participating organisation preferably in person or through a phone call. Participating organisations have been provided with a data collection tool and training on using the tool. Each participating organisation inputs the data into a data collection tool and returns the data to HACT. This allows HACT to develop a convenience sample of the residents who have recently moved into new and refurbished social housing and run an exploratory study on the social value that is being created.

The survey questions have been designed to capture data to understand social value outcomes in 8 main impact areas identified in the social value impact assessment matrix contained in the research and evaluation framework. The eight impact areas are aligned to the UK Social Value

Bank 2022 (See Appendix 2) which provides an impact methodology to understand and quantify the difference as a value made to an individual's wellbeing and what exchequer savings are made for the state.

The surveys also provide data which speaks to a range of indicators, measurements, and outcomes frameworks such as the National Performance Framework, Housing and Regeneration outcomes framework, human rights principles and to allows us to build on the findings of pre-existing research papers.

2. Project progress

The focus of the project since the agreement of the evaluation framework has been to support, guide, and recruit participant organisations to collect the required data. Four participant support meetings have been held to share good

practice and provide guidance. The list of project participants is described below in the table below with a brief update of their involvement to date.

Organisation	Context	Progress wave 1	Progress wave 2
New Gorbals HA	New build with demolition	Data returned by 15/09/22	Post-occupancy survey data returned by 15/12/22
Stirling Council	New build and relet	Data returned by 15/09/22	Pre-occupancy and post-occupancy survey data returned by 15/12/22
Link Group	New build	Data returned by 15/09/22	Post-occupancy survey data returned by 15/12/22
Grampian Housing	New build	Data returned by 15/09/22	Post-occupancy survey data returned by 15/12/22
West Lothian Council	New build	Data returned by 15/09/22	Pre-occupancy and post-occupancy survey data returned by 15/12/22
Castletoun Housing Association	New build	Data returned by 15/09/22	Post-occupancy survey data returned by 15/12/22
West of Scotland	New build	Data returned by 15/09/22	Pre-occupancy and post-occupancy survey data returned by 15/12/22
Osprey	New build	Data returned by 15/09/22	Post-occupancy survey data returned by 15/12/22
Queens Cross	Relet	Data returned by 15/09/22	Post-occupancy survey data returned by 15/12/22
Angus	New build	Delays in handover meant no data sent by 15/09/22	Pre-occupancy survey data sent by 15/12/22
Glenoaks	Relet	Data to be included in Year 2 report	Data to be included in Year 2 report
Linthouse	New build	Data to be included in Year 2 report	Data to be included in Year 2 report
Barrhead Housing Association	New build	Joined project in Autumn 2022	Survey data to be sent by 15/12/22
North Lanarkshire Council	New build	Pre-occupancy data sent in January 2023	Post-occupancy results to be included in Year 2 report

3. Pre-survey data (waves 1 & 2)

Partner organisations were collecting pre-occupancy survey data during Wave 1 and 2. Lead tenants were surveyed on behalf of the household on their experience and life outcomes while living in their previous housing. Demographic data was also collected related to age, ethnicity, gender, and the reasons for the move. The surveys were conducted before or shortly after moving into the new property. The pre-occupancy survey data allows HACT to establish the baseline that will be used to calculate social value outcomes created by social housing across Scotland.

As the project progresses, partners will be delivering more new housing and subsequently conducting more pre-occupancy surveys. The baseline over time will become more accurate and precise. At the moment, for the purposes of this report, the following data should be considered as a provisional baseline. The project has committed to collect data across all types of new social tenancies in new build, refurbished, and non-refurbished properties.

3.1 Engagement

During the period 1 July 2022 - 15 December 2022, twelve partner organisations submitted data from the survey moving into newly built, newly refurbished or non-refurbished social housing across Scotland. Four partners also submitted pre-occupancy data in Wave 2. In total, 231 pre-occupancy survey responses were submitted.

- 89% of surveys were conducted with residents who moved into newly built housing.
- 11% of surveys were conducted with residents who moved into old (non-refurbished) housing.

3.2 Demographic tenant profile

The following data shows the demographics of the lead tenants who were surveyed. In future reports we will be able to identify the impact new housing has on segmented demographic groups based on this tenant profile.

Gender

- 71.5% of all respondents to the surveys were female and 28.5% of all respondents were male (base: 200)¹.

- This compares to 51% female and 48% male across all Scotland's households.

Age group

- A third of all respondents (31.7%) were between 25 and 34 years old (base: 202). This is slightly younger cohort than overall social housing residents in Scotland (same group makes up 15% of overall social housing residents).²
- Other age groups are of similar size, suggesting an equal distribution across all age groups, with the smallest being Under 25 (10.9%) and 55–64-year groups (10.9%).

Ethnicity

- Majority of respondents were white (Scottish, British, Polish, other British) – 91.5% (base: 201). Across Scotland, estimated 96% of population are of white ethnicity.

The following table details all the ethnicities that make up current survey respondent group (base: 201, where groups make up more than 1%). Compared to national ethnic make-up, Asian residents might be underrepresented as 2.6% of Scotland's population is Asian.

White - Scottish	77.11%
White - British	10.95%
African	3%
Arab	2%
White - Polish	2%
Mixed or multiple ethnic minority groups	1.5%
White - other British	1.5%
Another ethnic minority group	1%

Household composition

- 35% of respondents in a single parent household (base: 231). In comparison, 11% of social rented households were single parent families.³

1 Hereafter "base" refers to the number of respondents who answered that particular survey question

2 "Social tenants" (2017), Scottish government.

3 *ibid*

3. Pre-survey data (waves 1 & 2) continued

- 80% of respondents had people under 18 years old living with them.

Reasons for moving

Overcrowded (previous property too small for the household)	43	21%
Formerly homeless	42	20%
Clearance (property being demolished)	29	14%
Downsizing	21	10%
Other [open text]	19	9%
ASB/ harassment	17	8%
Condition of the property was poor and not suitable to live in	12	6%
Health reasons (including mobility)	12	6%
Domestic violence / abuse	10	5%
Employment or training	1	0%
Relationship breakdown	-	-
Evicted due to mortgage default payments	-	-
Could not afford private accommodation or other social housing	-	-
Leaving care	-	-
TOTAL	206	

Route to tenancy

Landlord's transfer list	58	27%
Landlord's waiting list	45	19%
Statutory homeless	40	18%
Choice based lettings	33	16%
Management transfer	29	14%
Local authority priority list	13	6%
Mutual exchange	1	0%
TOTAL	219	

Previous tenancy

Another social housing property with the same landlord	91	41%
Another social housing property with different landlord	35	16%
Moving from privately rented property	24	13%
Moving from homeless or temporary accommodation	30	14%
Moving from property that you owned	8	4%
Moving from family home - first rented property	14	5%
Other [open text]	19	9%
Moving from care home or foster care – first rented property	-	-
TOTAL	221	

3.3 Financial and employment position of households (baseline)

The following data is a baseline summary of the pre-occupancy surveys prior to moving into a tenancy. From a social value measurement perspective, it is important to concentrate on what changes for the individual, so we pay particular attention to those who are for example struggling to pay for housing.

- Ability to pay for housing: 82.2% of respondents did not struggle to pay for housing in their last property, 15.5% - did struggle (base: 219).
- Financial comfort: 75% of respondents had money left for essentials after paying rent, 18.2% - did not (base: 220).
- Ability to heat the household in the winter: 76.6% of respondents were able to heat their old housing in winter, 16.5% - were not (base: 218)
- Employment & training outcomes
 - 25.6% of respondents were in full-time employment and 13.7% were in part-time employment (base: 211).
 - 22.75% were unable to work due to health reasons.

3. Pre-survey data (waves 1 & 2) continued

3.4 Good neighbourhood (baseline)

Consistent with paragraph 3.3 the following data is a baseline summary of the pre-surveys prior to moving into a tenancy.

From a social value measurement perspective, it is important to concentrate on what changes for the individual, so we pay particular attention to those who for example who do not feel they belong to the neighbourhood.

- Pollution: 19.8% of respondents were worried about the impact of pollution to their health, 45.5% - were not (base: 222).
- Greenspaces are within walking distance: 68.8% of respondents said their greenspaces are easy to get into and around. 8.6% said they were not easy to get into and around (base: 221).
- Good neighbourhood: 62.9% liked living in their old neighbourhood; 33% - did not (base: 221).
- Feel part of community: 50% of respondents reported that they felt part of their old community, 27% - did not (base: 222).
- Not worried about crime: 33.8% of respondents were worried about crime in their old neighbourhood, 50.9% - were not (base: 222).

3.5 Other

Consistent with paragraphs 3.3 and 3.4 the following data is a baseline summary of the Wave 1 and 2 pre-occupancy surveys prior to moving into a tenancy. From a Social Value measurement perspective, it is important to concentrate on what changes for the individual, so we pay particular attention to those who for example who feel their homes made them less healthy.

- Accessibility: 58.3% of respondents say their homes are easily accessible to people of all abilities (base: 223).
- Impact to health: 51.35% (114) of respondents said their homes made them less healthy, 14% said it made them

healthier and 34.2% said it made no difference (base: 222). 57 respondents provided reasons why their old homes made them less healthy.

- Out of these, 40% (23 responses) stated that their mental health was negatively affected while living in the old property.
- 15.8% (9 respondents) mentioned mobility or disability issues, such as stairs, that negatively affected their health.
- 5.4% (4 respondents) suggested that overcrowding or not having enough space negatively affected their health.
- 5.6% (3 respondents) stated that they did not have stable housing prior and this affected their overall health.
- 5.6% (3 respondents) stated that the housing was not secure or private, which also affected their health.

4. Post-survey data (wave 2) & social value

4.1 Engagement

During the period 15 September 2022 – 15 December 2022, nine partner organisations submitted data from the second survey (post-occupancy survey). These surveys were done 3 to 6 months after the first survey.

In total, 93 post-occupancy survey responses were submitted, and two persons were reported to have ended the tenancy. However, it was not possible to match 12 survey responses to their pre-occupancy survey response.

An additional nine residents had completed post-occupancy survey without having completed corresponding pre-occupancy survey. Therefore, the analysis is made based on 72 responses to the post-occupancy survey and comparison change in outcomes. The averages are calculated based on the 54 responses who have reported some kind of positive change or a positive social value. Given low numbers of respondents who reported negative change, analysis of this data at the moment would not provide any reliable insight. We will endeavour to incorporate these responses in future reports once the data is more robust.

4.2 Headline findings and analysis

For 72 individuals, £614,041 social value was created based on UK Social Value Bank calculations (see Appendix 2). The following tables detail average social value for different demographic groups. However, given the low number of respondents these should be used with caution.

The values where most respondents have reported a positive change were:

- Feeling a part of a community (52 out of 72 respondents reported a positive change)
- Not worried about crime (22 out of 72 respondents reported a positive change)
- Pollution (22 out of 72 respondents reported a positive change)

- Good neighbourhood (21 out of 72 respondents reported a positive change)

Total wellbeing value	Total Exchequer value	Total social value
£584,667	£29,374	£ 614,041

Out of these 72 respondents, 54 attained change across at least one of the values. Respondents who have completed both pre-occupancy and post-occupancy surveys on average have attained £11,371 in social value.

	Total average wellbeing value	Total average Exchequer value	Total average social value
Individual average value (base: 54)	£10,827.36	£543.96	£11,371

Male respondents reported higher average social value per individual than female respondents.

	Total average wellbeing value	Total average Exchequer value	Total average social value
Female (36 respondents)	£10,405.93	£398.66	£10,804.59
Male (12 respondents)	£14,160.59	£734.26	£14,894.85

Middle-age group residents tend to report higher social value than younger or older cohorts. Residents aged 35-54 reported highest average rates of social value per individual (see table on next page).

4. Post-survey data (wave 2) & social value continued

	Total average wellbeing value	Total average Exchequer value	Total average social value
Under 25 (7 respondents)	£9,498.16	£259.29	£9,754.45
25-34 years (12 respondents)	£8,196.82	£199.86	£8,396.68
35-44 (14 respondents)	£15,271.21	£723.92	£15,995.13
45-54 (6 respondents)	£16,372.91	£398.22	£16,771.13
55-64 (3 respondents)	£12,460.72	£2,048.50	£14,509.22
65 + (8 respondents)	£6,391.97	£58.68	£6,450.65

Residents who moved from a property they owned or from homeless or temporary accommodation reported the highest average rates of social value per individual.

	Total average wellbeing value	Total average Exchequer value	Total average social value
Another social housing property with the same landlord (8 respondents)	£9,498.16	£259.29	£9,754.45
Another social housing property with different landlord (30 respondents)	£8,196.82	£199.86	£8,396.68
Moving from privately rented property (3 respondents)	£15,271.21	£723.92	£15,995.13

	Total average wellbeing value	Total average Exchequer value	Total average social value
Moving from homeless or temporary accommodation (3 respondents)	£16,372.91	£398.22	£16,771.13
Moving from property that you owned (2 respondents)	£12,460.72	£2,048.50	£14,509.22
Other (4 respondents)	£6,391.97	£58.68	£6,450.65

In addition to social value, the following findings were reported:

- 93% of respondents said that they enjoyed living in the current neighbourhood more than in the old one.
- 88.9% said the overall condition of their housing was better than in their previous property.
- 48.6% of respondents reported positive change in how their home makes them healthier. That means nearly half of the respondents reported that their previous home did not make any difference to their health or make them healthier. This is an increase on the 14% who reported their previous home made them feel healthier.

58 out of 72 respondents provided an answer to an open question (“How your life would look like if you hadn’t moved into this property?”). 88% of the respondents said their life would have been significantly worse.

- 15 respondents suggested that in their previous home they would have been less independent due to mobility issues, not living on the ground floor or living with relatives.
- 13 respondents mentioned that in their previous property their mental health issues would have continued, including suicidal thoughts and stress.

4. Post-survey data (wave 2) & social value continued

- 8 people reported having faced harassment or ASB that they no longer face in their new home.
- 7 respondents mentioned health issues that would have continued in their old property.
- 5 respondents mentioned overcrowding that they no longer experience in their new property.

4.3 Social value: the value of financial and employment outcomes

The table below is a breakdown of the different types of outcomes from the UK Social Value Bank and the number of positive outcomes that have been realised. Given the low number of respondents, these should be used with caution, avoiding generalisations.

- nine people now feel they can heat their household in winter when previously they reported they could not.
- three people report they can now pay for their housing when previously they could not.
- seven people feel more financially comfortable.
- three people have gained full time employment after being unemployed.
- two people have gained part-time employment after being unemployed.

	Total average wellbeing value	Total average Exchequer value	Total average social value
Able to pay for housing (3 respondents)	£10,293	£3,783	£14,076
Financial comfort (7 respondents)	£82,372	£787	£83,159

	Total average wellbeing value	Total average Exchequer value	Total average social value
Able to heat household in winter (9 respondents)	£54,645	£549	£55,195
Full-time employment (3 respondents)	£20,769	£17,601	£38,370
Part-time employment (2 respondents)	£15,039	£3,186	£18,225
Training (0 respondents)	-	-	-

4.4 Social value: the value of good neighbourhood outcomes

The table on the next page is a breakdown of the different types of outcomes from the UK Social Value Bank and the number of positive outcomes which have been realised.

In summary:

- 22 people now feel they area they live in is not affected by pollution when previous area was affected.
- 8 people feel green spaces are within walking distance when previously they weren't.
- 21 people now feel they live in a good neighbourhood when previously they did not.
- 10 people now feel part of the community when previously they did not.
- 22 people are not worried by crime when previously they were.

4. Post-survey data (wave 2) & social value continued

	Total average wellbeing value	Total average Exchequer value	Total average social value
Pollution (22 respondents)	£90,587	£1,133	£91,721
Greenspaces are within walking distance (8 respondents)	£32,988	£262	£33,250
Good neighbourhood (21 respondents)	£106,639	£865	£107,504
Feel part of a community (10 respondents)	£75,417	£638	£76,055
Not worried about crime (22 respondents)	£95,916	£569	£96,485

5. Summary

Waves 1 and 2 data collected in Year 1 are providing the project partners with a growing baseline and evidence base on which to demonstrate change (and therefore calculate the Social Value) as experienced by individuals moving into new social tenancies in newly built, refurbished and non-refurbished properties.

From the available evidence to date it is possible to demonstrate a positive social change through pre-occupancy and post-occupancy survey responses in ten different outcomes from the UK Social Value Bank 2022.

The results are showing a particular improvement in neighbourhood impacts, i.e., impacts which are result in people feeling more part of a community, having better access to greenspace, not being as worried about crime, feeling a part of the community and not experiencing pollution or other environmental problems.

There are also improvements to financial and employment circumstances but not to the same extent as these experienced through neighbourhood impacts.

There is also initial indications of improved physical and mental health, reduction in overcrowding and more suitability of the new properties.

There are initial indications that male and the 35-54 age group are reporting more positive responses along with those who have been previously owner occupiers.

Next steps

Recruitment of participant organisations will continue into Years 2 and 3 of the project.

The baseline data will continue to be supplemented and post-occupancy survey data will continue to be collected throughout Year 2 which will be reported in January 2024. As the baseline data set grows more analysis will be available to understand how responses differ in relation to demographic data, previous circumstances and reasons for moving.

Additional data will allow more confidence in making a case for the strong impact social housing makes in relation to the national performance framework and the value of the Affordable Social Housing Programme funding.

There will also be additional surveys for those who have completed Year 1 post-occupancy surveys in Year 2 to deepen understanding as to what has changed over a longer period of time.

A series of case studies is also to be undertaken in Year 2 to gain more understanding and depth as to how social housing tenancies are associated with social change.

Acknowledgments

The project was led from HACT by James Williams and from Shelter Scotland by Adam Milne and we'd like to thank them for all their work.

Project participants

New Gorbals HA

West Lothian Council

Barrhead Housing

Link Group

North Lanarkshire Council

Stirling Council

Angus Housing

Grampian Housing

West of Scotland Housing

Glenoaks

Linthouse

Queens Cross Housing

Osprey Housing

Cassiltoun Housing Association

Advisory Group

Scottish Government

Shelter Scotland

CACHE

Joseph Rowntree Foundation

ALACHO

Public Health Scotland

Glasgow and West of Scotland Forum of Housing Associations

Gillian Young

Link Group

Appendix 1: pre-occupancy survey tabulations

Age groups

	Overall	Overall %	Edinburgh	Dundee	Glasgow	Abderdeen
Under 25	23	11%	5	2	9	2
25-34	70	33%	8	17	26	5
35-44	34	16%	11	5	7	4
45-54	37	18%	5	1	19	3
55-64	22	10%	1	1	0	2
65+	25	12%	0	0	16	2
Total	211					

Gender

	Overall	Overall %	Edinburgh	Dundee	Glasgow	Abderdeen
Female	151	72.2%	22	26	66	12
Male	57	27.3%	9	0	26	6
Prefer not to say	1	0.5%	0	0	1	0
Total	209					

Household size

People over 18		
1	104	47%
2	49	22%
3	46	21%
4	17	7%
5	4	2%
6	2	1%
Total	222	

People under 18		
0	44	20%
1	122	54%
2	55	24%
3	3	1%
4	3	1%
5	0	0%
Total	227	

Appendix 1: pre-occupancy survey tabulations continued

Ethnicity

White - Scottish	163	77.62%
White - British	22	10.48%
White - Other British	3	1.43%
White - Irish	0	0.00%
White - Gypsy/Traveller	0	0.00%
White - Polish	4	1.90%
White Other [open text]	0	0.00%
Mixed or multiple ethnic groups	3	1.43%
Any mixed or multiple ethnic groups [open text]	1	0.48%
Asian - Scottish	0	0.00%
Asian - British	0	0.00%
Asian - Pakistani	0	0.00%
Asian - Pakistani Scottish	0	0.00%
Asian - Pakistani British	0	0.00%
Asian - Indian	1	0.48%
Asian - Indian Scottish	0	0.00%
Asian - Indian British	0	0.00%
Asian - Bangladeshi	0	0.00%
Asian - Bangladeshi Scottish	0	0.00%
Asian - Bangladeshi British	0	0.00%

Asian - Chinese	0	0.00%
Asian - Chinese Scottish	0	0.00%
Asian - Chinese British	0	0.00%
Other [open text]	0	0.00%
African	7	3.33%
African - Scottish	0	0.00%
African - British	0	0.00%
African - Other [open text]	0	0.00%
Caribbean or Black	0	0.00%
Caribbean	0	0.00%
Caribbean Scottish	0	0.00%
Caribbean British	0	0.00%
Black - Scottish	0	0.00%
Black - British	0	0.00%
Caribbean - Other [open text]	0	0.00%
Arab	4	1.90%
Arab Scottish	0	0.00%
Arab British	0	0.00%
Other ethnic group [open text]	2	0.95%
TOTAL	210	

Appendix 2: The UK Social Value Bank

What is social value?

Social value is only delivered when social impact is achieved. Impact only happens when outcomes meet identified need. You will only know what this is if you engage with people and communities about what matters to them and build this into how you design and deliver services and spend your money. We call these benefits primary benefits and understanding these are crucial to understanding social impact. These wellbeing primary benefits are widely recognised and are a UK Green Book (2020) compliant technique used in social impact measurement, appraisal and evaluation.

How is social value generated?

Organisations generate social value outcomes through their services, spending, policies and practice.

Whether social value is a regulatory requirement or discretionary, it can be planned for, delivered and evaluated just like any other outcome.

How do we measure social value?

HACT has developed the UK Social Value Bank 2022. This tool provides outcomes and measures derived from national datasets which are monetised using wellbeing valuation and calculating net exchequer values.

The UK Social Value Bank consists of 88 different wellbeing outcomes for which we have been able to provide a monetised valuation. Of these 88 values, 77 of them also have an Exchequer value.

Wellbeing values

The core approach adopted in the UK Social Value Bank is to use regression analysis to estimate the relationships between subjective wellbeing and the various employment outcome variables, for example moving from unemployment into full time employment. This analysis calculates the extent to which the employment outcome impacts on subjective wellbeing.

The regression analysis is possible due to the availability of large-scale national data sets such as the Understanding

Society Survey which contain wellbeing questions such as life satisfaction levels. Statistical relationships can be established between life satisfaction and full-time employment.

To estimate the monetary equivalent of the impacts of the outcomes on individuals, we use the wellbeing valuation method. This approach relies on a comparison between the change in wellbeing from the outcome to be valued with the change in wellbeing from income. The value of the outcome is then calculated as the marginal rate of substitution (MRS) between income and the outcome itself, expressed in monetary terms.

Wellbeing valuations in the UK Social Value Bank provide a £ proxy equivalent uplift in wellbeing the same amount as the outcome.

For example, the outcome moving into full time employment from unemployment is worth the equivalent of £3,512 in uplift to an individual's wellbeing.

Wellbeing health top-up values

For many of the employment outcomes it is not plausible to consider impacts on wellbeing in isolation from impacts on health, as both are likely to be affected simultaneously. Where this is the case, the outcomes will additionally have an indirect impact on subjective wellbeing, via the channel of improvements in health.

We capture these indirect wellbeing impacts in the form of health top-up values, designed so that they can be added together with the direct wellbeing values estimated through the core analysis. The health top-up values are estimated in two stages: first deriving the direct impact of health on subjective wellbeing, and second linking the outcome of interest to improvements in health.

For example, the health top-up value associated with improved wellbeing and health for someone moving into full time employment is the equivalent of £8,104 in uplift to an individual's wellbeing.

Appendix 2: The UK Social Value Bank continued

Exchequer values

A secondary complementary approach found in the UK Social Value Bank 2022 is the valuation of outcomes via exchequer values, the indirect, secondary impacts of an outcome in net fiscal terms to the government in the form of tax receipts, benefit payments and cost reductions

Most of the calculations use data from 2019 to account for any anomalies caused by Covid-19. The values are then updated to 2021 figures.

Exchequer health top up values

Many of the outcomes may additionally have an indirect impact on healthcare costs, via the channel of improvements in health. This is calculated by calculating reductions in GP visits, the annual per person saving in healthcare costs due to improved health and the relationship between respective outcomes and health.

For example, an individual moving into full time employment from unemployment has an exchequer value of £9844.

This is calculated by tax receipts consistent with the UK Average income, saving to the Government in Universal Credit savings, decrease in cost of crime motivated by economic gain associated with transition from unemployment to employment and savings to Government from benefit to the NHS.

Applying deadweight – what would have happened anyway?

Since the UK Social Value Bank was first published in 2014, there has been growth in the development of high-quality longitudinal data sets. This emergence of large-sample, representative data has allowed us to estimate deadweight figures on an outcome-by-outcome basis. Deadweight refers to what would have happened anyway in the absence of an intervention – by incorporating deadweights, this ensures that only the additional social value created by the user of the SVB is calculated. The deadweight figures are being re-estimated since the previously used UK government source is now dated and is unlikely to accurately reflect true deadweight figures.

Deadweight, sometimes referred to as the reference case or the do-nothing option, refers to what would have happened anyway in absence of an intervention. For example, if a housing association runs an initiative that helps the unemployed to find work, it is likely that a certain proportion of participants that successfully found work due to the initiative would have done so anyway in the absence of the initiative. This could have been of their own accord or through a similar intervention run by another stakeholder. By adjusting for deadweight, we ensure that our values reflect the actual effect of an intervention i.e., the additional social impact that is created that would not have been created if it were not for the intervention.

We do this by multiplying the gross social value generated by one minus the deadweight:

$$\text{Additional social value generated} = \text{value} \times \text{number affected} \times (1 - \text{deadweight})$$

For example, let's say an initiative moves ten people from unemployment to full-time employment. The social value of full-time employment is £21,460 per person per year and the deadweight is 40% i.e., 40% of people would have gained full-time employment anyway in the absence of the intervention. The gross social value generated is:

$$£21,460 \times 10 \text{ people} = £210,460$$

However, this does not consider the fact that 40% of these beneficiaries would have become full-time employed anyway, hence we cannot attribute the social value of these individuals to the initiative. To incorporate this, we weight our calculation using our deadweight figure:

$$£21,460 \times 10 \text{ people} \times (1 - 0.4) = £128,760$$



Contact information

Michael McLaughlin, Head of Social Value, HACT
Email: michael.mclaughlin@hact.org.uk

WWW.HACT.ORG.UK