



Efficiency North Social Impact Commission

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Executive summary

- Efficiency North can demonstrate employment outputs which exceed their overall targets for 2016/17 both in absolute terms and in relation to securing employment for priority groups.
- Efficiency North created £3,885,499 worth of social value. This equates to a ratio of £1 spent generating a return of £13.98 social value.
- The UK Social Value Bank and the Commission for New Economy Cost Benefit models were used in calculating social value.
- HACT has certified that the UK Social Value Bank has been used correctly.
- 4 recommendations are made to further improve social impact reporting and maximise impact.
- Looking to the future Efficiency North is well placed to provide services to customers looking to deliver social value.

Section summaries

Efficiency North's Second Social Impact report will in 6 sections describe, explain and analyse the ways Efficiency North is generating social value. It will conclude by making recommendations and highlight some of the factors which will impact on social impact work in the future.

Section 1 will explain how social value is measured and the methodology used in producing the social value figures.

Section 2 will also explore the external operating context and describe the challenges faced by Efficiency North's priority groups.

Section 3 will demonstrate that by using a combination of the most up to date Social Impact measurement techniques available an accurate current social value baseline figure can be produced for Efficiency North as a whole.

Section 4 will analyse in more detail the impact the EN:Able Communities CIO is making through the Round 5 Community Investment Fund 2016/17 programme, for both the individual beneficiaries and the grant recipient organisations. An analysis on the social impact of supporting one off events such as the Be Your Best Rock Challenge 2017 is also included.

Section 5 makes recommendations on how best to build on the social value activities currently being delivered and ways of further improving reporting in the future.

Section 6 will summarise and pick out the areas of future policy which may impact on Efficiency North in the future.

Section 1 An explanation of Social Value measurement

Well-being Valuation and the UK Social Value Bank

This report has drawn heavily on well-being valuation methodology and the UK Social Value Bank. Launched in 2014 the UK Social Value Bank is a resource which offers a new way for housing providers, and others, to understand the social impact of their investment in communities.

It contains values for how well-being is uplifted by;

- Helping people into employment and training.
- Promotion of good health.
- Improvements in personal financial circumstances.
- Improvements to a local area.
- Reductions in the fear of crime.
- Supporting people into more secure accommodation
- Physical improvements to housing

The UK Social Value Bank has grown as interest has increased and new questions have been posed. New values are regularly added, to date around health, homelessness, the physical environment and mental well-being.

The UK Social Value Bank draws on the well-being valuation approach and features as part of HM Treasury Green Book guidance and sits at the heart of policy evaluation approaches within the UK Government.

Over 100 outcomes have been valued based on their relationship with life satisfaction. To do this, large national datasets are analysed to identify how people's self-reported well-being (how satisfied they are with their life on a scale of 0-10), changes due to different life circumstances. Analysis reveals the impact of these various outcomes on life satisfaction and calculates the amount of money that would produce the equivalent impact on their life satisfaction.

As a practical deployment of this technique, the UK Social Value Bank offers a proportionate way to measure, and place a value on, social impact. It has become the Housing industry-standard method to measure social impact. The UK Social Value Bank has been downloaded over 4,000 times and more than 300 organisations have attended training and are using the model in their business decisions.

Commission for New Economy cost database

This report also uses the Commission for New Economy cost benefit analysis. The initial version of this cost database was developed as part of work under the Investment Agreement and Partnerships Exemplar project to produce a framework to assist local partners in reforming the way they deliver public services. The project was funded by the Department for Communities and Local Government's (DCLG) Troubled Families Unit, and delivered by Greater Manchester and Birmingham City Councils. Work to develop and update the database is being undertaken by New Economy (Greater Manchester), with further support from Department for Communities and Local Government and other Government departments.

The database contains costs and economic values across the following themes:

- Crime, education and skills
- Employment and economy
- Fire
- Health
- Housing
- Social services.

In particular, it builds on work by six localities (Birmingham, Hammersmith & Fulham, Oldham, Tameside and Westminster councils, and Essex County Council).

The data has been subject to a rigorous validation process, including assessing the robustness of the original source documentation, considering how data have been derived from constituent cost elements, comparing costs to related data, and exploring the availability of more recent/robust sources. The data has also been reviewed by analysts from the relevant Whitehall departments.

Different types of value are available, both fiscal and economic using the Commission for New Economy model. This report has used the economic values which measure the economic benefits through increased earnings resulting in more money circulating in the economy.

What would have happened anyway? (deadweight).

Deadweight or what would have happened anyway is an important part of social impact analysis. To give an accurate picture of social impact a percentage reduction is applied reflecting the fact that a proportion of the outcomes measured would have happened anyway without the intervention.

Deadweight applied to the UK Social Value Bank

The UK Social Value Bank uses average deadweight figures from the Homes and Communities Agency (HCA) Additionality Guide 2014 which acknowledges that a proportion of change would have happened without the intervention to prevent overclaiming. Using the HCA figures saves additional research or a less robust figure being used.

Deadweight reductions on values are 15% for employment and training outcomes, 19% for community and social outcomes and 27% for health outcomes.

Deadweight in the use of Commission for New Economy values

After consultation with the Commission for New Economy this report uses 10% deadweight in relation to Commission for New Economy values.

Section 2 The Efficiency North Employment programme and priority groups

Efficiency North is an organisation committed to tackling disadvantage by targeting time and resources to working with some of the most marginalised groups in the country. Through the adoption of a new training and employment strategy in 2015 a strong emphasis on ‘priority groups’ was identified.

There is a huge ‘distance travelled’ for many of the beneficiaries who come from priority groups. However, the social value methodology does not always capture the full extent of this journey, as both the UK Social Value Bank and Commission for New Economy values represent the experience of the average individual.

The extent of this journey and the challenges faced are demonstrated in Table I below.

Table I Priority Groups and challenges faced.

Efficiency North Priority Group	Challenges faced
Long term unemployed, 6 months +, 12 months +, 24+ months.	Over 50s are more likely to be long term unemployed and are much less likely to receive positive responses for service sector and administrative work as compared to under 25s. (Policy Exchange) Recruiters perceived the Long Term Unemployed to have lower motivation and believed it was inefficient to invite long term unemployed candidates for interview as other employers had previously rejected them. (Ghent University, Vrije Universiteit Brussels, Oxford University 2017)
Over 50s	60% of unemployed older workers will not find employment within a year (Age UK)
Military Service Leavers	Unemployment is particularly likely to occur in early leavers of Military Service, with only 52% in employment 6 months after leaving. (Veterans’ transition review 2014)
Not in Education and Employment	While the NEET population is diverse, the most vulnerable young people are at greater risk of long-term disadvantage and need more personalised support. Entry to employment is made harder by the

	costs of seeking work, including the need for internet access to apply for jobs and initial travel-to-work costs. (Joseph Rowntree Foundation)
Ex-Offenders	<p>Ex-offenders face a range of barriers typical of many other disadvantaged jobseekers - poor basic skills, low self-esteem, sometimes behavioural and health problems. However, this is compounded by a lack of recent work experience for those leaving prison, and employer discrimination. There is a specific need with ex-offenders to focus on the issue of how to disclose a criminal record to employers as constructively as possible. (Joseph Rowntree Foundation).</p> <p>75% of employers admit to discriminating against those with a criminal record (Business in the Community)</p>
Homelessness	Homelessness can create or exacerbate a broad range of other issues which act as a barrier to employment. Poor mental and physical health is common amongst homeless people; seventy-three per cent of homeless people report physical health problems and 80 per cent report some form of mental health condition. Other barriers include substance misuse, learning difficulties, lack of basic skills, offending and being a victim of violent crime. (Crisis UK 2016)
Disability	<p>Disabled people have a high level of non-employment; the greater the number of conditions reported, the higher the level. (Joseph Rowntree Foundation)</p> <p>In 2016 less than half of the disabled population was in work (48%) compared to 80% of the non-disabled population. The Government is aware that the disability employment gap is too wide. (Department for Work and Pensions)</p>
BAME	Labour Force Survey figures (2013) show employment rates are much lower for ethnic minority communities as compared to the White community (73%) compared to 49% of the Pakistani/Bangladeshi Community, 61% Black community and 62% mixed community.
Female (non-traditional gender roles)	<p>Over the past 40 years there has been rising employment for women and falling employment for men, but men have consistently higher employment rates age 22 and above (ONS 2013).</p> <p>In the construction industry, female perceptions are not always positive, 41% of women believe they will not be paid as much as men. (Randstad Construction report)</p>
Living in/resident in social housing	52% of working age people living in social housing are not working compared to 29% in private tenures. Only 28% of unemployed social housing tenants are close to the job market and are likely to be helped by existing employment schemes. The remainder require a

	more personalised and targeted approach to help them into the labour market. (National Housing Federation 2015)
Care leavers	Care leavers are disadvantaged by school performance prior to leaving care with 12% of those in care achieving 5 A-C GCSEs compared to 53% nationally. A third of looked after children are not in education or employment. (Reed in Partnership)

Table 2 below demonstrates the progress in 2016/17 of the Efficiency North employment programme in terms of numbers achieved and progress against targets from priority groups. Overall targets have been exceeded particularly non-framework opportunities. Framework opportunities were below target.

The Efficiency North Board have set a target of 50% of employment outputs to come from the priority groups outlined in Table 1.

As can be seen from Table 2 below priority group targets have been more than met with 80% priority group beneficiaries from framework and 91% from non-framework positions. Retention in employment has also exceeded targets.

Efficiency North are directing their attention and resources at groups which often require pre-recruitment training, encouragement, support from their employers and targeted recruitment techniques. In short, the priority groups represent a challenge to conventional ways of placing people into work which rely on internet based job searches and personal contacts.

Table 2: Progress against Efficiency North Employment targets 2016/17

Social Value Opportunities	EN Annual Target	EN Actual
Number of employment opportunities	88	145
Social Value Framework Opportunities	EN Annual Target	EN Actual
Number of employment opportunities	68	51
Priority group engagement	50%	80%
Retention	77%	88%
Social Value Non-Framework Opportunities	EN Annual Target	EN Actual
Number of employment opportunities	20	94

Priority group engagement	50%	91%
Retention	77%	93%

Validation and analysis of Employment and Training beneficiary questionnaire

To check if primary sources of information on employment outputs were being maintained accurately, a telephone survey was undertaken with a sample of beneficiaries involved in the employment programme. This enabled additional data to be collected. Surveys reached a mixture of those who had moved into framework contractors and those into non-framework organisations.

All surveyed were mostly satisfied or somewhat satisfied with the security of their jobs. Knowing this is important as it then enables the job security measure to be used from the UK Social Value Bank in the social value analysis.

Overall there is a strong correlation found between the details held by Efficiency North and the beneficiary job status. The main discrepancy between the survey was in relation to status prior to gaining employment, where 7 of those surveyed did not identify with their status as being NEET, underemployed or unemployed prior to work despite this information being derived from their completed Data Consent Form. In future, each beneficiary will be sent a copy of the Data Consent Form to help to remind them of their declared status prior to employment being secured.

Positive comments included:

'Apprentice finder were very helpful. College does not prepare you for the world of work.'

'It's been good.'

'I am really enjoying it and learning loads.'

'Effortless process, advert in local shop led to application. Finished level 2 and will move into level 3.'

One comment concerned the reality of being self-employed;

'Squeaky bum time due to uncertainty of being self-employed. Hoping for the best for the coming months. Not on any type of benefit, so income not guaranteed.'

Section 3 Overall Social Value findings

Table 3 below demonstrates the overall findings and return on investment from applying the UK Social Value Bank outcomes and the Commission for New Economy Cost Benefit model. This is split into three main categories, the Employment and Training programme 2016/17, Round 5 Community Investment Fund and Be Your Best Rock Challenge 2017. All costs used to calculate the ratio of spend to social impact include grants and staffing costs.

Table 3: Overall Social Impact generated from combined UK Social Value Bank and Commission for New Economy values.

Programme	Social Impact combined UK Social Value Bank and Commission for New Economy	Ratio £ spend to Social Impact
Employment and training	£1,654,049	£1:6.21
Round 5 Community Investment Fund	£1,802,290	£1:13.1
Be Your Best Rock Challenge	£429,159	£1:21.4
Grand Total	£3,885,498	£1:13.98

There are no currently accepted benchmarking standards to assess what is a 'good' social return on investment. However, it can be clearly seen that Efficiency North employment activities and EN:Able Community Investment Fund Round 5 and Be Your Best Rock Challenge all generate positive levels of social value.

As stated above two different methodologies have been used to demonstrate a return. The contributions of the two methodologies is detailed below in tables 4 and 5.

Table 4 Summary of UK Social Value Bank social impact

Programme	Social Impact	Ratio £ spend to Social Impact
Employment and training	£909,666	£1:3.42
Round 5 Community Investment Fund	£1,609,296	£1:11.72
Be Your Best Rock Challenge	£429,159	£1:21.46
Total	£2,948,121	£1:6.96

The UK Social Value Bank measures well-being uplift it is particularly effective at capturing activities often undertaken by community organisations as well as the benefits involved in moving from unemployment to employment. 11 different values were utilised in the analysis ranging from training for job, volunteering, attendance at a voluntary organisation, training courses, walking, hobbies and participating in dance. The UK Social Value Bank also measures the impact of job security as well as securing a job.

Table 5: Commission for New Economy social impact

Programme	Social Impact	Ratio £ spend to Social Impact
Employment and training	£744,384	£1:2.79
Round 5 Community Investment Fund	£192,994	£1:1.56
Be Your Best Rock Challenge	n/a	n/a
Total	£937,378	£1:4.35

There were no suitable values to use to demonstrate the impact of the Be Your Best Rock Challenge however values could be used to demonstrate the economic impact of someone moving into work after being previously unemployed.

Analysis of Be Your Best Rock Challenge

Efficiency North supported the South Yorkshire Best Your Best Rock Challenge event in March 2017. The Challenge involves a School or College team made up of 20-100 pupils producing a music, dance or drama performance including soundtracks, sets and costumes. An evening performance of competing schools is held, and judges then decide who takes part in regional finals. These events are targeted at young people who are not usually creatively engaged. Surveys of the participants revealed both locally and nationally that after participating individuals enjoyed school more, had better relationships with teachers and made new friends. Evaluation reports reveal that there was a reduction in smoking and alcohol reduction in truanting and improvement in self-esteem.

The UK Social Value Bank requires specific questions to be asked of young people before they can be used in terms of confidence. However, it was possible to use going to youth clubs and activities to measure value. Unfortunately, it was not possible to utilise the Commission of New Economy values for this activity.

Despite this there was still enough evidence and data to demonstrate a significant return on investment with a ratio of £1: £21.6.

Section 4 Analysis of Round 5 EN:Able Community Investment Fund

EN:Able Communities has funded 29 projects in Round 5 of the Community Investment Fund round. Only projects who have reported progress are included in Table 6 analysis below. However, it is important to note that projects generally do not align neatly with the fiscal year. This analysis is for projects which have run from January 2017 and many are still in operation.

Table 6: Analysis of Impact of EN:Able Community Investment Fund Round 5

Programme	Social Impact	Ratio £ spend to Social Impact
Round 5 Community Investment Fund Commission for New Economy	£192,994	£1:1.41
Round 5 Community Investment Fund UK SVB	£1,609,296	£1:11.7
Total	£1,802,290	£1:13.1

Table 6 demonstrates how by using a combination of values we can demonstrate the full value of the projects funded. The Commission for New Economy values were useful with employment outcomes as were the UK Social Value Bank. However, the UK Social Value Bank reveals the wellbeing impacts of these outcomes on the individual.

As with the Employment and Training programme social impact was measured with a combination of UK Social Value Bank and Commission for New Economy measures. The UK Social Value Bank has a wider variety of outcomes available and overall 11 values were used. It was only possible to use two different measures from Commission for New Economy around apprenticeships and employment.

In addition to analysis of the monitoring reports provided by the organisations, a focus group was held on 31st October 2017 where all recipients were invited to learn more about the UK Social Value Bank and impact measurement.

13 organisations attended and as well as learning more about the methodology used to evaluate their activities there was a discussion around the impact on the grants to the organisations.

Group work was undertaken, and many organisations expressed an interest in using the UK Social Value Bank in more depth most notably Hull KR Community Trust.

All organisations reported that the funding had been extremely useful to their organisations and felt it has given their organisations confidence as they move forward.

Positives comments included:

- It helped achieve the HRH Duke of York Award (Cascade)
- Process and guidance was clear (Tigers Trust).
- The funding has encouraged management teams and given confidence to organisations. (All)

Suggestions for change included:

- The annual nature of the fund could be changed to allow for planning projects over 3 years.
- Allowance could be made for projects where quotes originally sourced have changed by the time approval has been granted due to price increases.

Section 5 What is this telling us and recommendations

It should be remembered that using the social impact methodology from the UK Social Value Bank and Commission for New Economy is only one way of demonstrating impact. It is always recommended that it is used as a blend with other evaluation techniques both quantitative and qualitative, organisational experience as well as Government policy to help inform decision making.

As can be seen from the use of two methods of social impact measurement, both have strengths, but they reveal insight into different areas of value creation which can then be used to influence and inform a particular stakeholder audience.

Efficiency North and EN:Able both clearly have an impact for both wellbeing uplift as well as an impact economically.

4 recommendations are made to help build on the social value impact currently being made:

Recommendation 1: Community Investment Fund grant applicants to utilise the UK Social Value Bank prior to submission of grant applications.

The UK Social Value Bank and complementary Value Calculator can act as important planning tool for organisations. It will help applicant organisations to understand what EN:Able requires in terms of outcomes prior to applications being made. It will also help organisations to plan outputs, finances and timescales more effectively.

Recommendation 2: Community Investment fund grant recipients to monitor progress using a bespoke system based around the UK Social Value Bank.

Although the current monitoring reports are extremely helpful and informative, if the recipient organisations were required to monitor pre-agreed outcomes via the use of a Value Calculator then it would be possible to capture impact more accurately and effectively. By understanding these social value outcomes at the start of the application process clear and relevant evidence will be collected to further inform social impact reporting. This would be valuable for both EN:Able and the grant recipient.

Recommendation 3: Research extending the UK Social Value Bank to reflect the additional distance travelled of beneficiaries.

Efficiency North proactively targets those furthest from the labour market, however methodologies currently used are not representing the full distance travelled for these individuals, rather it represents the experience of the average individual. It is likely that if research was undertaken then the full extent of the social value created could be much greater.

The research could also explore if there were additional values that could be applied to priority groups to reflect the increased uplift in their wellbeing.

HACT would be able to help to facilitate this research.

Recommendation 4: Consider offering a menu of Social Value options for Local Employment Groups, Framework and Non-framework contractors.

The Employment results in Table 1 tell us that there has been success in getting priority groups into work. This achievement should not be underestimated and should be encouraged further.

A points based system could be adopted weighted to reflect the relative difficulty in supporting priority groups into work for Local Employment Groups, Framework and Non-framework contractors. The system would reflect the relative challenges faced by the individual where one individual from one group would attract a higher points value than others.

When drawing up social value contracts and targets with framework contractors or grant agreements with Local Employment Groups the points system could be used to encourage targeting of certain priority groups.

Section 6 Summary and the future

This second social impact commission for Efficiency North clearly demonstrates the extent of social impact produced by using both economic and wellbeing metrics of measurement. It demonstrates there is a wellbeing uplift as well as an economic benefit to society. It gives a comprehensive view of the extent of how social value is being created.

Within this report HACT is pleased to certify that the UK Social Value Bank has been used correctly and accurately.

Looking to the future Efficiency North operates in an ever-changing environment which is changing the way organisations think about and deliver social impact work.

Housing Associations and public-sector bodies will continue to look for value for money from their spend. Cost will continue to be a major driver in decision making however organisations are increasingly thinking about social value when awarding contracts.

The Public Services (Social Value) Act 2012 was a major driver in changing thinking around social value. The author of the Social Value Act, Chris White has recently (December 2017) written a report 'Our Money Our future' he recommends that:

- The Act needs to be extended to all public spending, and to decision making.
- The Act needs to be strengthened requiring commissioners to “account for” not just “consider” social value.
- Social Value needs to be included in devolution deals.
- These changes need to be supported by clearer statutory guidance by central government.
- A biennial State of Social Value Audit conducted independently but with the support of the Government.

Efficiency North by having social value built into the way it operates offers social value as standard for the customer. Efficiency North is in a strong position to respond to these recommendations and be a leader in procurement in the future.

National policy around welfare reform and Universal Credit roll out will continue to put pressure on Housing Association finances as well putting great stress on communities.

EN:Able is in a key position to deal with negative repercussions from public spending cuts and welfare reform. Continued support for community organisations offering services directly to communities under stress will take on an even greater significance. Continued analysis of impact will help target scarce resources more effectively in the future.