



Introduction to Social Value and Impact Measurement

Social value is the overall benefit that activities, projects, and services bring to people and communities. It includes social, environmental, and economic outcomes.

This means it goes beyond just financial returns and includes improvements in well-being, health, inclusion, and sustainability.

By measuring social value, you can make better decisions about where to put resources and how to design projects that provide meaningful benefits.

What Is Social Value?

Social value represents the broader impact of local authority and VCSE organisation activities.



Community Well-being

Better health, less isolation, and stronger community bonds.



Environmental Gains

Better green spaces, lower carbon emissions, and protection of nature.



Economic Opportunities

Creating local jobs, developing skills, and increasing social inclusion.

By examining the deeper outcomes of your services, you can effectively demonstrate the true value of your support.

Why do we have to measure impact?

Impact measurement is about gathering evidence to demonstrate that your efforts lead to meaningful change. This matters because:

Accountability

Local authorities and VCSE organisations are often funded by public money or grants. Demonstrating how resources are used builds trust and confidence among funders, service users, and communities.

Service Improvement

Systematic evaluation helps identify what is working well and where adjustments might be needed, ultimately ensuring that your services are effective and responsive.

Strategic Decision-Making

When you know which interventions have the most significant positive impact, you can allocate resources more wisely.

The Social Value International (SVI) Principles

Building credibility and consistency in measuring social value starts with applying established guidelines. Social Value International (SVI) has set out eight core principles:

1. Involve Stakeholders

Engage people directly affected by your activities to understand their views on what is valuable.

2. Understand What Changes

Look at the positive and negative changes that arise, not just the intended outcomes.

3. Value the Things That Matter

Assign values (financial or otherwise) to reflect the importance of each outcome.

4. Only Include What Is Material

Focus on capturing information that influences decision-making and truly reflects change.

5. Do Not Over-claim

Be transparent about your actual contribution, recognising external factors as well.

6. Be Transparent

Share clear, accessible information about your measurement process and findings.

7. Verify the Result

Where possible, seek independent assurance to add reliability to your results.

8. Evaluate in Context

Recognise the broader social, economic, and environmental setting within which your programmes operate.

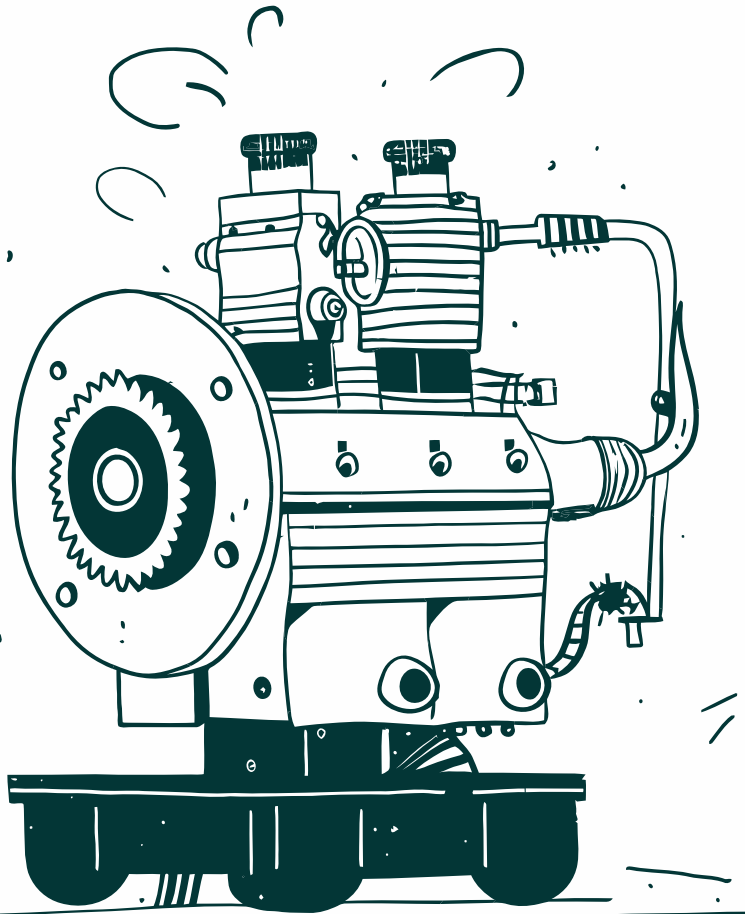
These principles guide local authorities and VCSE organisations in developing robust, evidence-based approaches to assessing social value.

Introducing the Social Value Engine (SVE)

The Social Value Engine (SVE) is a tool designed to help organisations:

- **Assign Approximate Financial Values to Outcomes:** Drawing on validated sources (known as financial proxies), the SVE helps you quantify outcomes in monetary terms. This makes it easier to compare different types of social and environmental benefits on a level playing field.
- **Streamline Reporting:** The SVE's reporting features allow for clear, concise summaries of social value outcomes, so stakeholders understand the bigger picture of what you deliver.

Importantly, the SVE is not a substitute for thorough planning, engagement, or the application of the SVI principles. Instead, it complements your existing processes, making it simpler to structure and present your findings.



Impact Thinking Across the Organisation

To fully realise the benefits of measuring social value, an impact mindset should permeate all levels of your organisation—whether you are in a local authority or a small community group.



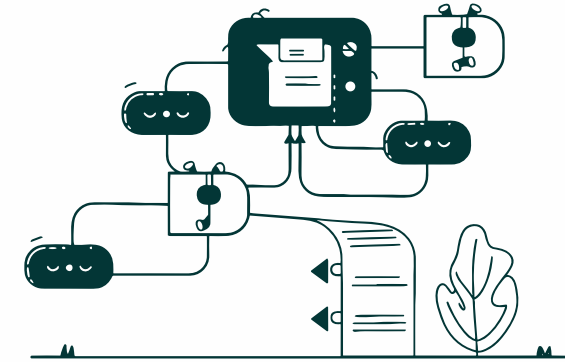
Engagement Across Teams

From frontline workers to finance departments, everyone should understand how their work contributes to social outcomes.



Leadership Support

Senior leaders can champion impact thinking by setting clear goals, dedicating resources, and encouraging collaboration.



Embedding in Everyday Processes

Integrate social value considerations into project planning, commissioning, budgeting, and reporting cycles.

By making impact measurement a routine part of how you operate, you ensure that delivering social value becomes a shared commitment rather than a one-off exercise.

Theory of Change as a Planning Tool

A [Theory of Change \(ToC\)](#) clarifies how specific activities lead to desired changes within communities. It typically includes:

1. **Defining the Long-Term Goals:** What are the ultimate improvements you hope to see (e.g., increased community resilience, better mental health outcomes)?
2. **Identifying Intermediate Outcomes:** Which smaller steps or 'milestones' need to occur along the way?
3. **Describing Interventions:** Which projects, services, or resources will drive these outcomes?
4. **Measuring Success:** How will you track progress and confirm that your interventions are effective?

Using a Theory of Change encourages structured thinking and ensures that every stage of your plan is tied to tangible outcomes that matter to your stakeholders.

You can find a template

here: https://assets.publishing.service.gov.uk/media/6582e6a223b70a000d234d00/Theory_of_change_model_template_December_2023.docx

Practical Steps for Local Authorities and VCSE Organisations

1

Engage Stakeholders

Start any new service or project by consulting beneficiaries, local partners, and community members. This helps you capture the outcomes that matter most.

2

Map Your Theory of Change

Develop a clear logic model linking activities to short- and long-term outcomes.

3

Apply SVI Principles

Involve stakeholders, be transparent, and ensure you do not over-claim your impact.

4

Use the Social Value Engine

Translate outcomes into financial equivalents where relevant, and use the tool's reporting features to communicate results clearly.

5

Review and Adapt

Regularly revisit your data and stakeholder feedback to refine services and demonstrate a commitment to continuous improvement.