



Understanding Social Value

The key to driving impact and wellbeing across the public sector

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Spotlight on Social value





What is Social Value



What is social value

A way to measure positive benefits of your work for both individuals and communities.

Public Services (Social Value) Act 2012 broadly defines social value as improvements in economic, social and environmental wellbeing.

Places a focus on the outcomes you wish to achieve and role of your organisation.

Health system and health organisations play a significant role in creating social value - huge potential for action and impact

Importance of partnership working - collaboration enhances the ability of all partners to achieve mutual social outcomes of interest

Opportunity to align social value with strategic priorities and outcomes at different levels - e.g. employment and workforce, health inequalities, anchor institutions, procurement, etc.

What matters most



Our Golden Thread of social value is based on the premise that to maximise your social impact, you have to understand the needs of local communities. Only then can you identify and agree the outcomes that you want your impact to deliver. Only then can you model, monitor and measure your impact, knowing that it is based on the needs of local people.

The Golden Thread isn't, however, a single line. It is a continuous thread: having measured impact, organisations should review their impact, refine their initiatives and then improve their outcomes, all the time ensuring that this is based on the needs on local communities.

Putting social value at the heart of strategy

Critical importance of social value in strategic planning and priority setting - enables teams to focus on delivery and understand how it contributes to strategic objectives – [Social Value Statement](#).

What gets measured gets done - a strategic approach to social value must include how it will be measured and reported. Keep it simple - don't try to deliver/measure everything.

Transparency of social value results is important for organisations - there should be a nominated lead and an approach to performance measurement and accountability.

Have curiosity about how taking a slightly different approach to something could add significant value and deliver greater social impact.

Overview of social value and procurement in the NHS

Public Services (Social Value) Act 2012 – requires commissioners to consider how they can secure social, economic and environmental wellbeing benefits for communities.

Social Value Model – the old SVM was adopted by the NHS and sets out government's social value priorities for procurement. The Labour Govt has published a new SVM but the NHS model has not yet been updated.

NHS England has adopted the policies advocated for by central government in PPN 06/20 (updated by 02/25) which mandates a minimum 10% weighting for social value and sustainability across all NHS tenders. This came into effect in April 2022.

A number of frameworks are available and there is no consistent approach to adoption across all NHS regions or ICBs. The most common approach is the TOMs model (Themes, Outcomes and Measures).

Environmental and Sustainability outcomes are more common and better understood.

Overview of social value and procurement in the NHS

Alignment with NHS priorities - e.g. NHS commitment to meet Net Zero by 2045.

Actions on social value can include: employing local residents, building local supply chains, procuring with the VCSE sector, working with schools and young people, requiring contractors to pay a real living wage and minimising negative environmental impact.

Opportunity to harness spending power to deliver on local priorities, mobilise community provision and create social value.

Opportunity to incorporate stakeholder feedback to define social value as part of contracting processes

Social value and procurement

Managing Procurement Risk

Scoring Social Value at 10% could be a win or loose criteria and will increasingly come under scrutiny.

Specific expertise in social value delivery is needed to ensure bids are scored accurately and fairly

Social value commitments must be embedded within the contract and part of ongoing contract management, otherwise it puts the whole procurement at risk

Social value requirements are not always understood, highlighting the need to build market capabilities to ensure that local providers can prepare and deliver required solutions.

Social value responses are not always proportionate or relevant to contracts, highlighting the importance of a defined organisational approach and policy for Social Value that directs social value asks within procurement.

Social value and procurement

Managing social value

Work with local community and providers to effectively define, deliver and demonstrate social value - importance of looking at the local supply chain and London Living Wage.

Measurement matters – embed social value as a key part of accountability, quality and continuous improvement to demonstrate social purpose and enhance reputation with stakeholders.

Develop and integrate a clear measurement system to ensure social value improvements are demonstrated and monitored. Measure impact to improve services, enhance decision making and increase impact made - understand what is working and provide assurance to relevant stakeholders.

Consider what success looks like and evaluate 'what works' - from impact, process and value for money point of view.

Social value and procurement

Where should Boards and Leaders look to make the most impact through procurement?

Large scale multi-year contracts – the higher the contract value and the longer it lasts, the more social value you can expect and ask for.

Construction and facilities management contracts.

Different opportunities to generate social value in the lifetime of a contract – social value can be modelled within the business case and translated into procurement activity.

Keep learning about what works, Social Value is still a relatively new concept.

Focus on what matters the most and keep engaged, if you are delivering social value you are delivering change

Wellbeing



How we evaluate social value

When someone gets a job and moves from unemployment into full employment, they feel better. They experience an improvement in their life satisfaction, which we can measure, by examining the data in surveys conducted every year by organisations such as the Office of National Statistics (ONS).

We use this survey data – what people say improves their life satisfaction – and use it to calculate the value outcomes in our social value banks. This means we can say with confidence that our values are based on what real people experience.

We calculate the social value for each of these value outcomes based on the Government's WELLBY, a standardised unit of wellbeing value that ensures our methodology and valuation approach are consistent with HM Treasury's Green Book.

This methodology is applied consistently for every value outcome in the UK Social Value Bank, the UK Mental Wellbeing Bank and the UK Built Environment Bank.

Valuing Wellbeing?

UK Government has defined a value for wellbeing – a WELLBY is the value of a one-point change in life satisfaction for one year.

Guidance sets out two approaches to fixing the value of a WELLBY – one draws on the literature on valuation of a Quality-Adjusted Life Year (QALY) and the other makes use of direct research to establish a causal link between income and wellbeing conducted by Simetrica-Jacobs.

The two approaches yield values of between £10,000 and £16,000 for a WELLBY – the government suggests that policy makers apply a value of £13,000 but consider this range.

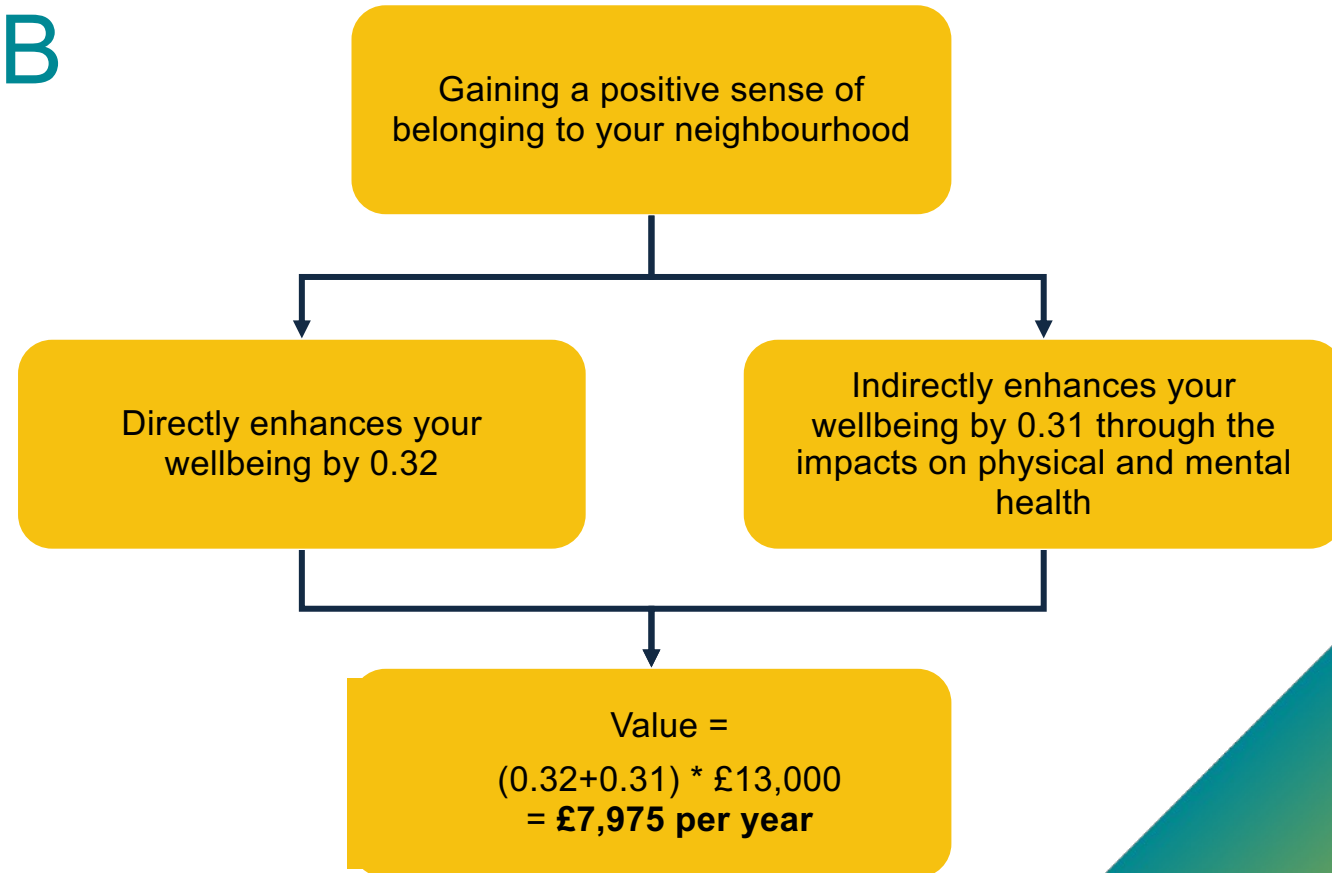
So, if we can show that a policy/outcome is associated with a 0.5 point change in life satisfaction for 6 months, this can be valued at $£13,000 \times 0.5 \times 6/12 = £3,250$.

Valuing Wellbeing: UKSVB

Assessed over 88 outcomes using a range of data sources (Understanding Society, English Housing Survey and Crime Survey of England and Wales) to understand the extent to which they drive wellbeing.

Looked at both direct wellbeing impacts and those that are mediated through changes in physical and mental health.

Values originally derived using approach equivalent to that used for the upper WELLBY – currently in the process of adjusting them to fully sit with HM Treasury guidance

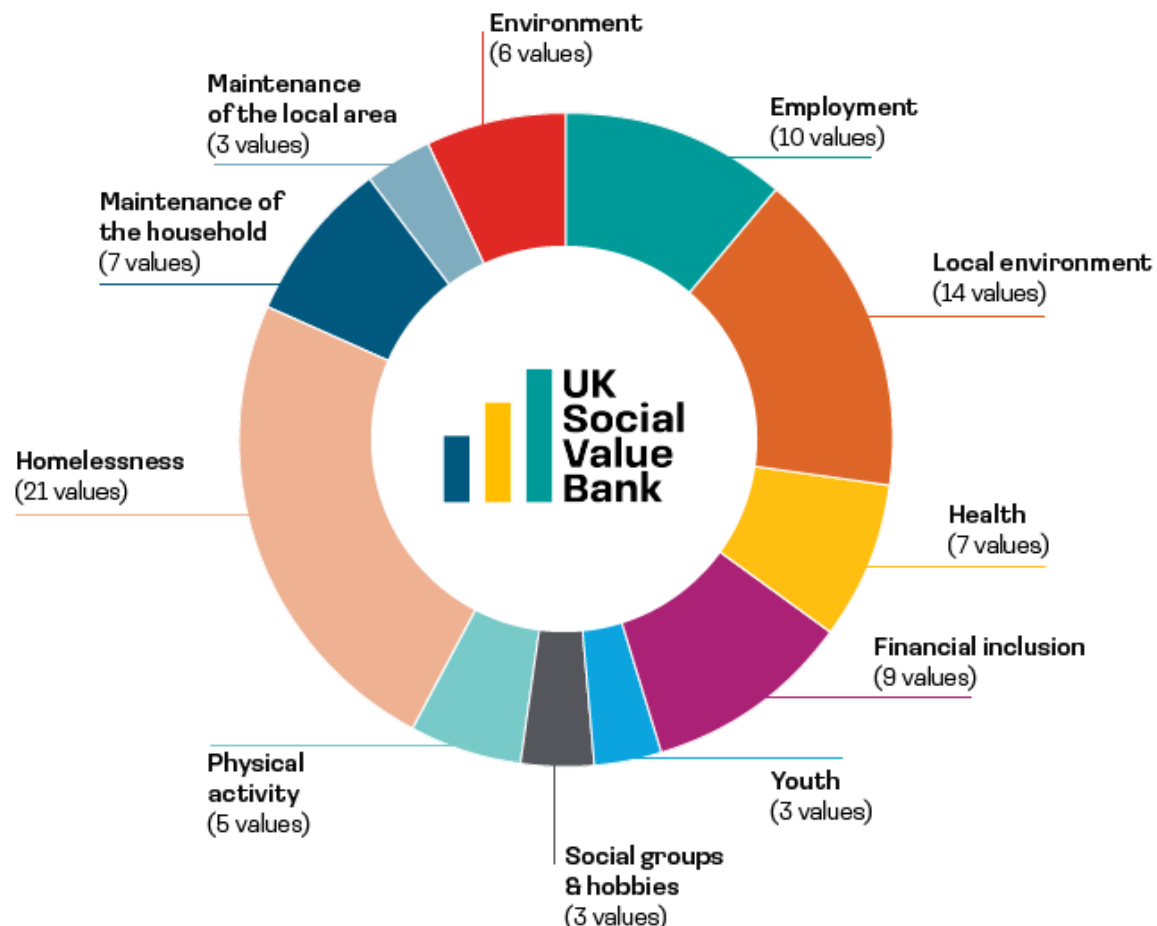


Social Value Insight enables users to model, monitor and measure their social impact, using the 88 value outcomes incorporated in the UK Social Value Bank.

These value outcomes can be grouped into eleven areas:

- employment
- local environment
- health
- financial inclusion
- youth
- social groups & hobbies
- physical activity
- homelessness
- maintenance of the household
- maintenance of the local area
- environment

These values can be applied across the organisational activities, from social housing organisations and charities to local authorities and contractors.



The UK Social Value Bank suite of values

EMPLOYMENT	HEALTH	ENVIRONMENT	HOMELESSNESS	LOCAL ENVIRONMENT	FINANCIAL INCLUSION	MAINTENANCE OF THE HOUSEHOLD
Full-time employment Self-employment Part-time employment Government training scheme Secure job Apprenticeship Vocational training Regular volunteering Job-related training provided by employer Job-related training not provided by employer	High confidence (adult) Relief from depression / anxiety (adult) Good overall health Relief from alcohol problems Smoking cessation Can rely on family Improved diet	Energy efficiency improved to Bands A or B (from C) Energy efficiency improved to Band C (from D) Energy efficiency improved to Band D (from E, F or G) Pollution Buys recycled products Recycles waste	Rough sleeping to: • secure housing • temporary accommodation (average, with and without dependent children) Temporary accommodation to: • secure housing (average, with and without dependent children) Tenancy service for people in rough sleeping (average, with and without dependent children) Emergency relief service for people sleeping rough (average, with and without dependent children) Housing service for people in temporary accommodation (average, with and without dependent children) Tenancy service for people in temporary accommodation (average, with and without dependent children)	No problem with teenagers hanging around No problem with vandalism/graffiti Not worried about crime No problem with ASB Police do good job No litter problems Able to obtain advice locally Good neighbourhood Feel belonging to neighbourhood Talks to neighbours regularly Greenspaces are within walking distance Greenspaces are of a high standard Greenspaces are easy to get into and around Has access to private outdoor space	Afford to keep house well-decorated Able to save regularly Relief from being heavily burdened with debt Able to pay for housing Financial comfort Access to internet Computer access to internet Able to insure home contents Able to heat household in the winter	Satisfaction with how landlord maintains and repairs home Rectification of serious condensation/ mould growth Rectification of penetrating (higher level) damp Rectification of ceiling fault Rectification of floor fault Rectification of wall fault Rectification of door faults (interior doors)
YOUTH	PHYSICAL ACTIVITY	MAINTENANCE OF LOCAL AREA			SOCIAL HOBBIES & GROUPS	
Go to youth clubs Does not feel useless Improvements in confidence	Infrequent moderate exercise Frequent moderate exercise Infrequent mild exercise Frequent mild exercise Frequently walk or cycles short distances	Resolution of problems with condition of dwellings Resolution of problems with local streets (condition of road, pavements and street furniture; litter; graffiti; dog excrement & vandalism) Resolution of problems with scruffiness (scruffy gardens/landscaping & scruffy/neglected buildings)			Active in social group Active in tenants group Gardening	



The UK Mental Wellbeing Bank

Launched in 2018, the UK Mental Wellbeing Bank enables housing associations, charities, councils and contractors to measure their impact on improving their client's mental wellbeing.

The UK Mental Wellbeing Bank is based on the Warwick Edinburgh Mental-Wellbeing Scale (WEMWBS) and wellbeing valuation. Developed in collaboration with housing associations, contractors and charities, the bank helps organisations to understand how to improve the positive impact they can have on people's mental wellbeing.

The UK Mental Wellbeing Bank should not be used with values from the UK Social Value Bank to avoid double counting. This is because values in the UK Social Value Bank already incorporate the impact on mental wellbeing: for instance, when someone gets a job, they are likely to have lower anxiety.

Organisations should either use the UK Mental Wellbeing Bank to measure their impact on mental wellbeing or relevant values from the UK Social Value Bank.

BECOME A GOOD *Ancestor*



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