

Social Value

A guide to getting started

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Introduction

It's likely you are already delivering Social Value, but how do you shape it, prove it – and focus efforts in a way that has the most impact?

Imagine a world where people and organisations collaborate to build flourishing and sustainable communities for all. That is essentially the purpose of Social Value – and it is rapidly moving up the business agenda.

To put it into perspective, it has taken 25-30 years to establish the concept of sustainability, whereas Social Value has gone from zero to hero in only five years.

There are two good reasons for this:

- 1** Government legislation (Social Value Act of 2012)
- 2** Businesses taking responsibility (particularly post-Covid)

We've not got a lot to thank Covid for but what it did do is bring communities together when everyone, including businesses, realised they had their part to play in 'levelling up'.

That's why, as the Social Value experts, we've created this simple guide to take you through where Social Value has been, where it is going – and how you can get started...

Our basic human values: a foundation for behaviour

Giving back to society, treating people fairly and taking care of the environment have been part of the human psyche since history records began.

The key for organisations is understanding how these values reflect the **way we do business**.

1950s

CSR Corporate Social Responsibility

A theme to create focus outside of profit

CSR is a term coined by American economist Harold Bowen to reflect the need for businesses to pursue policies which align with the needs of society. CSR became the theme which encouraged businesses to support local communities alongside their profit targets.

1987

Sustainable Development

A concept to bring greater attention to the environment

As a result of the Brundtland Report, 'World Commission on Environment and Development', a global agenda for change was established for the United Nations and 'citizen groups' to align around long-term environmental strategies.

2004

ESG Environmental Social Governance

A yardstick by which to assess impact

ESG emerged as a set of requirements used by investors to assess the impact a company has on the environment and communities. ESG gained further traction in 2012 with the start of a series of open letters from Larry Fink, CEO and chairman of investment company BlackRock, in support of environmental sustainability being a core investment goal.

2006

B-Lab

A nonprofit network mobilising businesses to be a force for good

B-Lab is known for certifying B Corporations, which are companies which meet high standards of social and environmental performance, accountability and transparency.

2012

Social Value

A holistic measure of social, environmental and economic value

The Public Services (Social Value) Act requiring public sector buyers to assess the positive contribution to society of all contracts was passed into law. At the same time, the term Social Value entered common vocabulary.

2016

UN SDG United Nations Sustainable Development Goals

A set of 17 globally agreed goals to help improve our world

The goals, developed collaboratively by the United Nations, act as a guide for better sustainable behaviour and a framework for sustainability reporting.

2016

National Social Value Taskforce

A network facilitating good Social Value practice in the public sector and business community

The Taskforce welcomes any organisation to engage in leveraging collective knowledge in effectively implementing the Public Services (Social Value Act) 2012.

2017

and beyond

Social Value measures

The frameworks by which organisations can quantify their Social Value contribution

The National TOMs Framework of measures were published as the principle tool for reporting Social Value to a consistent standard and based on the Social Value Act's themes of social, economic and environmental wellbeing.

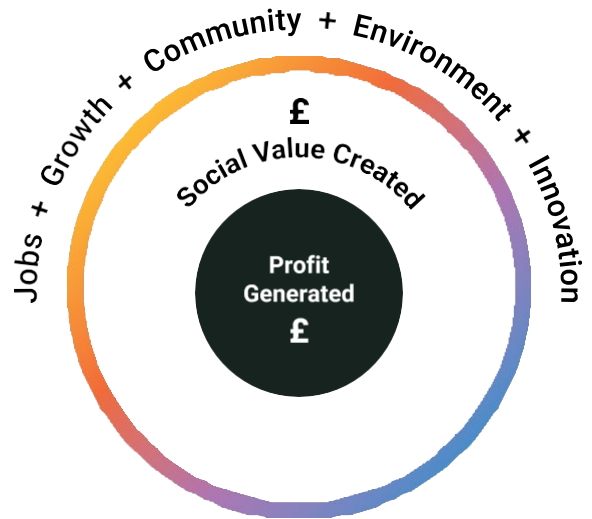
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**So what exactly
is Social Value?**

What is Social Value?

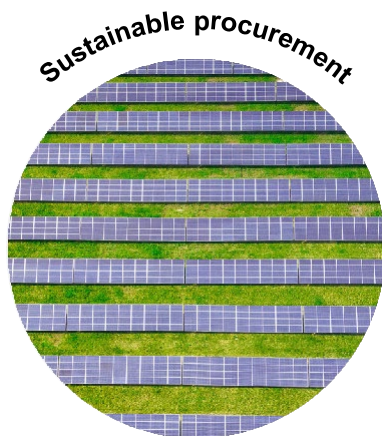
In simple terms, Social Value is the value an organisation contributes to society beyond a reported profit.

Where profit is measured in standard accounting terms, Social Value is measured by actions.



Social Value in action

Ask yourself, do you do any of these?



Then you're creating Social Value, you just might not know it yet.

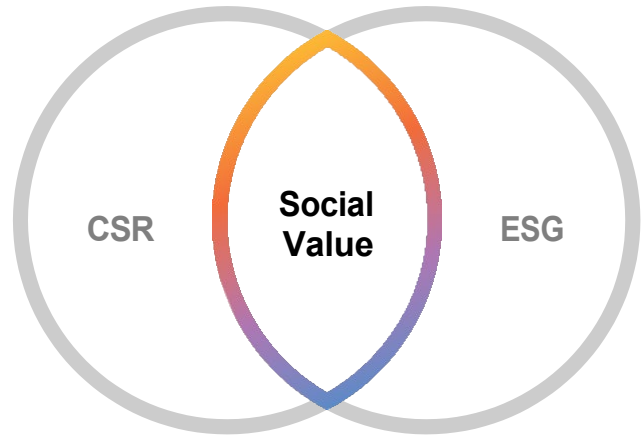
Is Social Value different to CSR and ESG?

Social Value is the collaboration of an organisation with society to improve the community, economy and environment around it.

It embraces both CSR and ESG but works in a way which embeds community needs at the heart of an organisation's activities.

Social Value demonstrates, in simple monetary terms, positive impacts within an organisation and across supply chains.

In this way, we can shine a light on the 'good' an organisation does for more meaningful visibility.



There is genuine change happening in how businesses are thinking about their environmental and social practices. Organisations are now dedicating more resources and attention to Social Value”

Dr Joshua Pritchard, Policy Advisor, CBI

64%

of people believe big businesses and government should take action on making society fairer.

PWC



2

Why Social Value matters



There is a huge misunderstanding which says that somehow delivering social value involves foregoing a commercial return – that somehow being socially useful or economically useful is a zero-sum game.

This is not true: the two go hand-in-hand and are mutually reinforcing over any reasonable period of time, and the economically sustainable business is the one that has a relevant, socially useful mission or purpose.

Chief Executive at Legal & General Group



Social Value allows organisations to think about their activities, and how together, they can create positive benefits for stakeholders and society.

It is no longer acceptable for any organisation to just think about the bottom line.

Why Social Value matters to business:

attracting staff

70% of employees say they would not work for a company without a strong purpose

[Harvard Business Review](#)

retaining staff

40% higher levels of workforce retention than their competitors when purpose driven

[Deloitte](#)

cost management

40% of Millennials would take a pay cut to work for an environmentally responsible company

[Fast Company](#)

competitive advantage

89% of executives believe strong purpose provides competitive advantage

[Porter Novelli](#)

brand strength

x4 Customers are four times more likely to buy from a company with a strong purpose

[Zeno Group](#)

brand trust

76% of customers are more likely to trust a company which leads with purpose

[Porter Novelli](#)

brand engagement

49% of people feel that companies who do not prioritise social issues do not care

[Harvard Business School](#)

Social Value growth

80% of CEOs believe it's likely companies will take more responsibility for socio-environmental impact in the next five years [EY](#)

brand value

78% of senior executives agree that strong ESG performance contributes to organisational value

[PWC](#)

business growth

x14 businesses with a purpose beyond just making money outperform the market by a factor of 14 [Firms of Endearment](#)

success driver

6 in 10 businesses believe sustainability to be as important or more important than financial success. [Grant Thornton](#)

investor appeal

79% of investors say ESG is an important factor in their investment decision making [pwc](#)

It's about building stronger communities and stronger organisations.

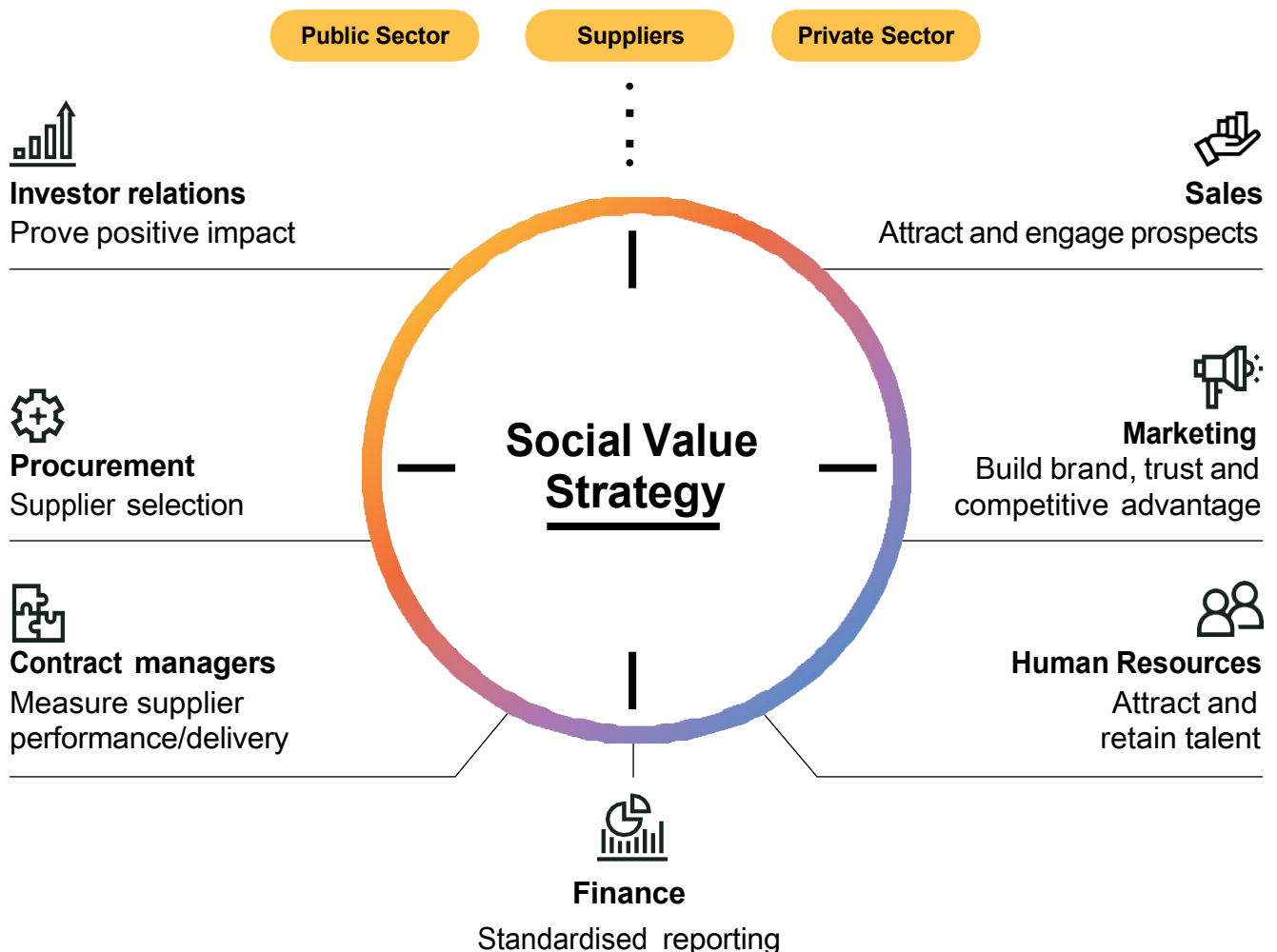


We all own the planet, and we all benefit in some way from economic and social improvement. Social Value is everyone's business.

43%

of mid-market businesses have now developed a sustainability strategy and are starting to take action
[Grant Thornton](#)

Social Value is relevant across all organisation types and size



There is no one size fits all when it come to Social Value

There is Social Value being delivered across the UK. But it comes in different shapes and sizes – and priorities naturally vary too.

Understanding what is important to different communities, and in different circumstances, is an essential part of an effective Social Value strategy.



Start with your local community

No two communities are the same. Understanding your local community is the first step to building a successful Social Value strategy.

Maybe your local football team needs a new sponsor. Or maybe your local foodbank needs donations. What's certain is that Social Value comes in all shapes and sizes.

Build out the goals and objectives that suit your community and keep track of your progress.

3

How is Social Value measured?

Measuring Social Value

The measurement framework is your foundation, so making the right choice is essential to set you up for success.

It should define the themes most relevant to your community, the desired outcomes that will have the greatest impact and the measures that quantify that impact.

Social Value Themes



Jobs



Growth



Social



Environment



Innovation

The 5 key themes explained



Jobs

Promoting local skills and employment

The jobs you create directly impact your community. Give someone without a job an income and an opportunity to develop their career. It will not only change their life, but it changes the lives of those around them.



Growth

Supporting growth of responsible regional business

There are many ways to help your community grow. Hire local tradespeople and put money in the pockets of your local community. Provide mental health support to your staff and create a happier, healthier society.



Social

Healthier, safer and more resilient communities

Track the impact you have on the people around you, from encouraging your staff to stop smoking to donating to local causes.



Environment

Decarbonising and safeguarding our world

Measure the impact you have on the environment and track your journey to net zero.



Innovation

Promoting social innovation

There are plenty of innovative ways to create Social Value. It might not be an established path to follow, but if you provide skills to your local community, or curb damage to the environment, you create Social Value.

