Measuring Success

A social value roundtable

Contents

Executive summary

" How do you measure the impact you are making over time? **"**

" How do you know if you have created a place that is successful? **"**

" What does success mean to you? **"**

These are the questions that we at the Quality of Life Foundation explored at the Measuring Success roundtable, chaired by Prof. Sadie Morgan, OBE, that we convened in June 2022. We brought together experts across the built environment sector, financial institutions, local authorities, universities and community organisations to discuss:

- People's perceptions and definitions of social value

- What different organisations are measuring when it comes to social value

- How to integrate communities' health, wellbeing and lived experiences in social value measurement

Key takeaways

1. **People experience places emotionally.** These feelings need to be taken into account in creating new places.

2. **We need to listen to communities in a meaningful way.** This may require more creative and interactive methods of community engagement, rather than just surveys and interviews.

3. **Trust is vital but often absent in community engagement processes.** It is important to invest the necessary time to gain residents' trust from the beginning.

4. **The process is important.** We need to be asking the right questions from the beginning all the way to the end.

5. **Let residents define success.** Focus on what communities need.

Introduction from Landsec

Social value is a concept that is both obvious and yet difficult to grasp. It is something you can see and feel but is difficult to measure in a way that everyone can understand.

There are two big challenges – and while not exactly contradictory, they are difficult to reconcile neatly together. The first challenge is ensuring there is a robust and shared system to measure social value across our industry so that we can be held to account by our different stakeholders for the promises we make.

This is important because there are quite frankly too many lazy claims being made that simply don't stand up to scrutiny. In the broader Environmental Social Governance (ESG) landscape, corporate greenwashing undermined consumer trust in several industries – we mustn't let that happen in our sector with social value. A lack of trust is already a feature of the planning process so let's not make it worse.

The second challenge is making social value meaningful to the people within our communities. And here that

robust system of measurement starts to feel less relevant. While certain stakeholders might like to see a headline figure of £200 million of social value created, what does that figure mean to someone who lives in one of our places? How does it make their life better? And if what we're doing isn't helping to make their life better, are we really doing the right things?

Our working assumption on this second challenge is that there will be no one-size fits all approach and the answer, as it does to so many of the challenges facing our industry, lies in dialogue with our communities. Asking them what they want to see rather than telling them what we will deliver.

That points to our industry collaborating ever more closely in developing what best practice looks like. We are grateful for and delighted to support the convening and leadership role the Quality of Life Foundation is playing in this area.

There are so many great initiatives going on across our industry and by working together we can collectively shape happier and more successful places that benefit our customers and communities across the country.

Roundtable context

Social value is a quantitative measure of the relative importance that people place on changes they experience in their lives.[1] In the UK, the Public Services (Social Value) Act came into effect in 2013, requiring those who commission public services to consider how they can secure wider social, economic and environmental benefits for their area or their stakeholders.[2] The launch of the UN Sustainable Development Goals (SDGs) in 2016 evolved the existing debate around social value by identifying 17 relevant outcomes to measure the environmental, economic and social dimensions of sustainability.

Despite a growing consensus across all sectors that measuring social value is important, there remains a lack of clarity around what exactly needs to be measured and how. HM Treasury issued Wellbeing Guidance for Appraisal: Supplementary Green Book Guidance in 2021 to help define, understand and measure social value in a credible and robust way. Social value is now mentioned in the HM Treasury Green Book: "The appraisal of social value, also known as public value, is based on the principles and ideas of welfare economics and therefore includes all significant costs and benefits that affect the welfare and wellbeing of the population, not just market effects."[3]

According to Social Value UK, there are five key benefits of social value measurement[4]:

- It allows organisations, companies and governments to understand, measure and maximise their social impact;

- It is a key way to engage stakeholders;

- It can help demonstrate not just value for money, but also the wider benefits of the work that organisations, companies and governments do, therefore providing a competitive advantage;

- It enhances communications, both internally within organisations, companies and governments, as well as externally (e.g. with the general public);

- It can provide a competitive advantage, therefore helping to gain future funding and contracts.

[1] Social Value UK, 2022, What is social value? https://socialvalueuk.org/what-is-social-value/.

[2] UK Cabinet Office, 2021, Social Value Act: information and resources. https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources.

[3] HM Treasury, 2021, Green Book supplementary guidance: Wellbeing https://www.gov.uk/government/publications/green-book-supplementary-guidance-wellbeing.

[4] Social Value UK, 2022, What are the benefits of social value? https://socialvalueuk.org/what-is-social-value/the-benefits-of-social-value/.

However, there are four key challenges in measuring social value:

- Firstly, there is a lack of consistency in methodologies to measure social value. Popular methodologies include Social Return on Investment and Cost Benefit Analysis. While both methodologies encourage non-financial outcomes to be monetised, it allows for flexibility in the calculation methods.

- This leads to a second challenge, which is that assumptions are built into the financial calculations and proxies used in social value measurement. These assumptions are not always made transparent, which can create confusion and inaccuracy in measuring social value.

- A third challenge with social value measurement methodologies is the attribution (how X action/intervention directly led to Y outcome) and deadweight (the counterfactual, or what would have happened anyway without X action/intervention taking place). Again, many assumptions – which are not always transparent and may not be correct – tend to be made in the process of determining attribution and accounting for the deadweight.

- Finally, social value measurement has been critiqued as a technocratic, tick-the-box exercise. Because measuring social value can be so complicated, it may feel intimidating and inaccessible to those without technical, quantitative skills.

In recent years, the concept of social value has gained traction in the built environment sector. In an attempt to minimise confusion and address existing challenges around social value measurement, UK Green Building Council (UKGBC) launched a framework for defining social value for the built environment in February 2021. The aim was to create a shared definition of social value focused on the impact of buildings, infrastructure and places on people. According to UKGBC: "In the context of the built environment, social value is created when buildings, places and infrastructure support environmental, economic and social wellbeing, and in doing so improve the quality of life of people. Exactly which environmental, economic and social outcomes create social value will depend on the best interests of the people most impacted by the project or built asset. Those outcomes must be defined for each built environment project."[5]

Given the spread of social value and increasing rigour around net-zero, the Quality of Life Foundation convened a roundtable of experts from the built environment industry, financial institutions, local authorities, universities and community organisations to discuss people's perceptions and definitions of social value, as well as how to integrate communities' health, wellbeing and lived experiences in social value measurement. Chaired by Prof. Sadie Morgan, OBE, this roundtable discussion brought together our partners and collaborators to explore: How do you measure the impact you are making over time? How do you know if you have created a place that is successful? What does success mean to you?

> " **How do we create value in the long term and not just take short term decisions because they're easy and cheap? And how do we therefore stop developments that are badly designed and built in the wrong place, both bad for people and the planet?** "

[5] UKGBC, 2021, Framework for defining social value. https://www.ukgbc.org/ukgbc-work/framework-for-defining-social-value/.

Who attended?

Quality of Life Foundation

Attendees: Sadie Morgan, Matthew Morgan, Dominique Staindl, Tiffany Lam

Developers and housing associations

Clarion

Clarion is the UK's largest housing association, owning and managing 125,000 homes. 350,000 people call a Clarion home their home.

Attendee: Shelley Hathaway-Batt

Countryside

Countryside Properties are the UK's leading mixed-tenure developer, bringing together modern and efficient delivery methods to create sustainable communities where people love to live.

Attendee: Kate Ives

The Earls Court Development Company

The Earls Court Development Company are responsible for driving forward the development of the Earls Court site in London.

Attendee: Jade Barltrop

The Crown Estate

The Crown Estate is an independent commercial business, created by an Act of Parliament, which invests in and manages some of the UK's most important assets.

Attendee: Matt Sampson

Lovell

Lovell is a partnership housing expert and a leading provider of innovative residential construction and regeneration developments.

Attendee: Mary Parsons

Landsec

Landsec is one of the leading real estate companies in the UK. They strive to connect communities, realise potential and deliver sustainable places.

Attendees: Colette O'Shea, Chris Hogwood, Ben Anderson, Kate Honey

Financial institutions

LGIM Real Assets

L&G manages over £39 billion of assets and provides pension schemes and institutional clients with investment solutions across real estate equity and private credit.

Attendee: Fahad Abdi

Lloyds

Lloyds is the largest UK retail and commercial financial services provider, with 26 million customers and a leading digital presence.

Attendee: David Willock

Local authorities and public bodies

Department for Levelling Up, Housing and Communities (DLUHC)

DLUHC supports communities across the UK to thrive, making them great places to live and work.

Attendee: David Waterhouse

East Hertfordshire District Council

The local authority for the East Hertfordshire non-metropolitan district of England.

Attendee: Molly Stroyman

Greater London Authority

The Greater London Authority is a strategic regional authority, with powers over transport, policing, economic development and fire and emergency planning. Three functional bodies - Transport for London, the Mayor's Office for Policing and Crime, and the London Fire Commissioner - are responsible for delivery of services in these areas.

Attendee: Nina Miles

Reading Borough Council

The local authority for Reading, the principal regional and commercial centre of the Thames Valley.

Attendee: Councillor Alice Mpofu-Coles

Community organisations and social enterprises

2-3 Degrees

A social enterprise that inspires and equips young people with the personal development skills they need to become the best versions of themselves.

Attendee: Carl Konadu

Circle Collective

A social enterprise that supports young people experiencing a range of barriers to find permanent, life-changing work.

Attendee: Turly Humphries

Rainbow Services

Rainbow Services works to alleviate the effects of disadvantage, deprivation and social exclusion through imaginative projects within the Harlow, Essex community and beyond.

Attendee: Kate Greer

Community Planning Alliance

Campaigns for sensible planning which involves communities, protects the environment, takes into account climate change, provides affordable housing and plans for land use effectively.

Attendee: Rosie Pearson

Folkestone Fringe

An artist-led organisation committed to creating projects and opportunities which connect people to each other and the places they live.

Attendee: Diane Dever

Key discussion points

Following a presentation by the Quality of Life Foundation on the social value context, the Chair posed two general discussion questions to the group:

- What are people's perceptions of social value – the benefits, shortcomings and a common approach?

- How can we formalise an approach that resonates more with communities, in terms of their health, wellbeing and lived experience?

The conversation was lively and thought-provoking. There were three key takeaways that emerged from the discussion:

- People experience places emotionally and these feelings need to be taken into account in creating new places.

- We need to listen to communities in a meaningful way.

- Trust is vital but often absent in community engagement processes.

Firstly, the built environment sector tends to define success and social value in terms of functional benefits to a place, such as the number of new housing units or retail spaces. But in reality, people experience places emotionally. Residents' feelings about a place need

to be considered by developers, housing associations, local governments and all those who have a stake in creating healthy and sustainable places so that people and the planet can thrive. This includes taking into account people's feelings about safety or sense of community, for example. Rather than having defined metrics and indicators, we can ask people how they measure their sense of safety or community. We can ask people what ways of counting and measuring their lived experiences make sense for them. We can let residents define success.

Importantly – and this segues to the second key takeaway – we need to listen to communities in a meaningful way that takes into account the full breadth and depth of the diversity of people's lived experiences. When we host presentations about communities and places in corporate offices and boardrooms (as we are here), it is crucial we then take those conversations to them, to go out and talk to people of all ages, genders, ethnic backgrounds, socioeconomic groups, etc. Recent conversations around engagement practices have centred young people as the future, emphasising that they should be much more involved in planning decisions than they currently are.

> **There is a growing sense in the industry and... in government... if we want to combat the challenges of the 21st century, then we need to do it together.**

> **Communities feel that development is done to them, that it's not done with them, and they don't think it's for them.**

At the same time, we cannot discount the needs and experiences of older people who may have completely different feelings of safety, community and liveability in their neighbourhoods. Community engagement can be an opportunity to help build and strengthen intergenerational relationships. For instance, young people can talk to old people about how they feel about the places where they live, how things have changed in the area and how those changes have affected them.

Truly listening to communities means that we cannot go in with a predetermined set of questions to ask. The language that we use is really important – it can invite people to open up to you, or it can alienate them if it is inaccessible. Moreover, it can be useful to take more creative approaches to engaging with communities, rather than just surveying or interviewing people. For example, smaller focus groups or walking with people as they go about their everyday business can yield more unique insights into people's feelings and experiences. It can also help build trust, which is often missing from standard consultation processes.

This leads to the third key takeaway, that trust is an essential but often absent ingredient in meaningfully engaging with communities in creating places and measuring social value. Not only is building trust with residents vital, but so, too, is trusting the process.

This means not expecting a particular outcome, which might be a challenge culturally for many organisations. For example, public sector organisations with

limited budgets might need to have the bravery to think beyond election cycles. Commercial organisations might need to think about different forms of investment and their return, focusing on a sense of purpose to guide decision making.

For example, developers and local authorities can ensure that residents in new developments have good access to quality parks and green spaces. But this may not necessarily translate to more residents using local parks and green spaces for exercise or other leisure or recreational purposes in the immediate future. At the same time, it is possible that a few months or years down the line, community organisations form organically and start organising regular group walks, runs or cycle rides in local parks and green spaces. This may help shift people's perceptions and usage of their local parks and green spaces, as it becomes more normalised for people to spend time in nearby parks and green spaces ultimately leading to knock-on benefits on physical and mental health and wellbeing.

Trusting the process, therefore, means not expecting instantaneous success, whatever that may look like. We must be willing to let some outcomes materialise independently, including from the work of other organisations or people in the area. Listening to residents, earning their trust, and letting them define success are imperative/essential aspects of social value. It is important to invest the necessary time to gain residents' trust from the beginning, as this may even be more valuable than any outcomes.

Highlights from the breakout sessions

We then divided the group into smaller breakout groups to discuss the following questions:

- How do you currently determine success?

- How can we better record and measure local residents' hopes, expectations and fears?

- How can we better integrate residents' lived experiences into social value measurement?

Overall, the breakout sessions highlighted the importance of the process of community engagement and using residents' voices to inform how we measure social value. We need to be opening up our consultation approach from the beginning to the end. Our focus must also be on residents' needs and experiences, not our predetermined questions, metrics or indicators.

In each group, there seemed to be a consensus that there is room for improvement in terms of capturing outcomes and success in a meaningful way that reflects residents' lived experiences.

Each group raised questions around how to get community engagement right early on so that we are truly listening to and working with communities, rather than merely ticking boxes. There were comments about how empowered and engaged communities can hold developers and local authorities to account. The dynamism and energy to make meaningful community engagement more of the norm will come from developers, local authorities and other relevant parties that do want to be held accountable.

Another theme discussed in each group was how to feed learning from community engagement – what worked well, mistakes that were made and how to do better next time – back into the process in a way that informs how things are done in the future, rather than just becoming an academic exercise. People reflected that this requires humility to step back and be able to reflect thoughtfully and honestly on where things may have gone wrong and could be done differently next time. There was broad agreement that intelligence gained from both the process and outcomes of community engagement can feed into other developments.

> **The bigger question for us is to what extent are we prepared to have an impact that we might not necessarily be able to take credit for? This work, you almost have to be prepared to plant seeds that you might not necessarily see bear fruit, planting the seed but you don't necessarily take the credit.**

> **There's a mismatch between how money's invested, particularly in the built environment... versus how social outcomes are measured over a long period of time.**

> **If you get the process right... you'll get success at the end.**

Recommendations

Based on the rich discussion at the roundtable, we have developed the following recommendations:

- **Listen to residents and let them define success.** It is important to include people's lived experiences in how we measure projects in the built environment. This complements existing metrics and creates a richer picture of what the true value of a place is and what local people need.

- **Value the process.** Social value measurements can make us very outcomes-oriented. While it is important to try and drive better health and wellbeing outcomes for local people, it is equally important to focus on the process. This means not expecting particular outcomes and accepting that there may be intangible outcomes that are not easily quantifiable but should not be discounted.

- **Community engagement must centre and amplify the feelings and daily lived experiences of local people.** Partnerships working with existing community organisations and local leaders is a good way to build the necessary trust to have open conversations with residents about how they feel about the places where they live. Resident input in survey questions, participatory observation methods (e.g. walking with residents and following them as they go about their daily activities) can also be valuable.

- **Create the infrastructure for like-minded professionals in the built environment sector to continuously engage in dialogue and knowledge sharing.** Measuring social value in a meaningful way is clearly a hot topic for the built environment sector. It is important to develop a network or ongoing working groups for like-minded professionals to stay connected, engage in dialogue and share knowledge and best practice in community engagement and social value. This needs to take place within and outside the built environment sector, so that we can better integrate community engagement and social value.

Next steps

Hosting this roundtable has given us useful insights that will inform our future resident engagement work, as well as our own process of defining what success looks like with regard to people's quality of life.

Our next steps include:

- **Improving benchmarking.** We have conducted – and will continue to conduct – our Resident Review survey across various contexts to build a repository of case studies to rate developments and buildings on their quality of life performance. We are constantly refining our scoring methodology to translate residents' lived experiences of their homes and local areas into quality of life scores. This allows for benchmarking among similar developments, as well as comparison with national averages.

- **Mapping quantitative and qualitative data.** We are keen to communicate the unique nature of each place and the effect of people's homes and neighbourhoods on their lives by analysing local or national statistics and asking people what it is that they value or need in an area. We will do this through digital and face-to-face engagement and by creating maps to spatialise and localise this critical information,

and feed it back to communities in ways they can understand. This is an approach we have been taking on both the Community Consultation for Quality of Life project with the University of Reading and the Quality of Life Mapping project with Harlow & Gilston Garden Town.

- **Cocreating KPIs.** Through both these projects we hope to create the evidence base for a series of key performance indicators (KPIs) that we will then add to with recommendations for good practice in community engagement and activation. This includes how to influence decisions to how to improve feelings of safety and how to take better care of shared spaces. If government has the investment and policy levers to affect change, local authorities are the gatekeepers and guardians of their patch, then developers are the catalyst for change, in an ideal world. Thus, it is local communities who must be given the means, the money, and the measures to define what success means for them.

- **Continuing the dialogue.** We will be building on this work with further roundtable discussions. If you would like to take part or learn more about our work, please contact Dominique at **dominique@qolf.org**

If you share our vision of a housing system that improves people's health and wellbeing over the long term, get in touch.

mail@qolf.org
qolf.org

Photo credits: Dominique Staindl

Let's build quality of life together.

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