



HTS 2018/19 Social Impact Report:

Analysis of the social impact generated by HTS (Property
and Environment) Ltd

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Executive summary

The purpose of this report is to perform a retrospective social impact analysis of the HTS Group activities in 2018/2019. HTS has a commitment to delivering positive social impact as outlined in their corporate objectives. This report explores the social impact generated across several outcome areas and through a range of delivery mechanisms.

Using wellbeing, cost benefit analysis and economic multiplier techniques it is estimated that social impact of the project totalled over £1m.

- HTS can demonstrate that it created social value in at least the following areas **Full-time employment, General training for job, Volunteering, Apprenticeships, relieving homelessness and promotion of financial comfort**. It is likely more social impact was created across other outcomes but as this is a retrospective analysis, the evidence does not exist to demonstrate these achievements.
- HTS created £1,129,128 of social value in the 2018-19 year.
- Recommendations look to the future to ensure HTS will be well placed to deliver social impact, assess progress, demonstrate improvements and insights into the future.

Section summaries

The report is split into the following five sections:

Section 1 provides a brief description of the activities of HTS Group in relation to social impact.

Section 2 explains the methodology behind the social impact assessment and how social value is measured using the Housing Association Charitable Trust (HACT's) UK Social Value Bank, Commission for New Economy Unit Cost database and Local Multiplier 3 calculations.

Section 3 assesses the social impact created through HTS activities and presents a breakdown of this.

Section 4 makes recommendations of how to maximise social impact.

Section 5 provides a summary and discusses the future.

Section 1: Social Impact at HTS Group

HTS (Property and Environment) Ltd was set up by Harlow Council to provide a range of property and environmental services. Services provided are housing repairs, maintenance, facilities management, environmental services, compliance, capital and planned works to residents, leaseholders and support to community organisations.

HTS aims to be acknowledged as an industry leader in Corporate Social Responsibility (CSR) and has a well-established programme in the community actively engaging with environmental, charitable and people-based initiatives.

As well as regular fundraising activities staff are encouraged to volunteer with charities. Work experience, apprenticeships and proactive targeting of under-represented groups such as those with disabilities is also undertaken.

HTS takes its work with the environment seriously with a stated aim of responding to the social, economic and environmental expectations of the Harlow community.

HTS has a vision which helps to make Harlow a place where people want to live and work as well as encouraging healthy lifestyles for employees.

HTS has **delivered a range of activities** in 2018-19 which have a significant positive social impact including:

- An employment and skills programme with a focus on full-time employment opportunities for the disabled, apprenticeships and training.
- Work experience opportunities for young people.
- Partnerships with local schools and charities.
- Wellbeing programmes for staff.
- Becoming an accredited Living Wage employer.
- Upward review of pay grading.
- Adaptation of properties for the Street2Homes charity.
- Core work of renovating and improving the environment.
- Maximising the economic impact on the Harlow community.

To understand this social impact better HTS commissioned HACT in April 2019 to produce a social impact report demonstrating the value of their CSR activities.

The report will cover financial, economic and wellbeing outcomes of the CSR programme and provide recommendations to improve future reporting and impact.

Section 2: Measurement methodologies

Wellbeing valuation and the UK Social Value Bank

This report has drawn heavily on the UK Social Value Bank (UKSVB)¹ to assess the social impact created.

Launched in 2014, the UKSVB is a HACT resource that offers organisations and businesses a way to understand the social impact of their investment in communities. The UKSVB was derived using the wellbeing valuation approach and features as part of HM Treasury Green Book² guidance that sits at the heart of policy evaluation approaches within UK Government.

Over 100 outcomes have been valued based on their relationship with life satisfaction. To do this, large national datasets were analysed to identify how people's self-reported wellbeing³ changes due to different life circumstances. Analysis reveals the impact of these various outcomes on life satisfaction and calculates the amount of money that produces the equivalent impact on life satisfaction.

The UKSVB offers a proportionate way to measure social impact and enables a cost-benefit calculation. It has become the housing industry-standard method to measure social impact, has been downloaded over 13,000 times and more than 100 organisations have attended training and use the model in their business decisions.

It is recommended that the assessment of social impact using the UKSVB begins before any activity is delivered. This way the necessary evidence can be collected to meaningfully measure outcomes using before and after data (the type of evidence required varies by outcome). If evidence is not collected before activity starts, then the 'before' position of individuals may be missed and may result in a less accurate social impact assessment as positive social value may be missed.

New Economy Manchester - Unit Cost database

This report also explores the value of achievements to the state and economy, it does this by drawing on New Economy Manchester's Unit Cost Database. This database contains more than 600 cost estimates compiled through government reports and academic studies. The database includes costs across the following outcome areas: crime; education & skills; employment & economy; fire; health; housing; and social 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

¹ <http://www.hact.org.uk/value-calculator>

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf

³ How satisfied they are with their life on a scale of 0-10, from 'not at all' to 'completely'.

Economy (Greater Manchester), with further support from Department for Communities and Local Government and other Government departments.

The data has been subject to a rigorous validation process, including assessing the robustness of the original source documentation, considering how data has 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 fiscal values which measure the costs or savings to the public sector as well as economic measures which demonstrate the increase in earnings and growth in the local economy.

Local Economic Multiplier (LM3)

Organisations can make a huge difference to their localities by local buying promotion of local employment and encouraging staff to spend locally. It is possible to measure the effect of an organisation in a local economy by analysing three rounds of spending. This helps organisations understand how they are contributing to the local supply chain and wider economy.

LM3 is calculated in three stages;

Round 1 Organisational turnover and staffing costs.

Round 2 Where and with who the company spends their money.

Round 3 Where and how suppliers and employees re-spend their incomes.

The New Economics Foundation and the Countryside Agency published the report 'The Money Trail; Measuring Your Impact on the Local Economy using LM3' in 2002. The principles and calculations outlined in the report have been used to calculate an estimated LM3 score for HTS.

Global Value Exchange (GVE)

During the production of the report the Global Value Exchange database <http://www.globalvaluexchange.org/> was used to ascertain whether other social impact values could be identified. One value has been used from this source evidencing the economic impact on volunteering. The GVE is a helpful resource containing over 30,000 impact metrics and 1000s of indicators to help understand social impact.

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 that a proportion of the outcomes would have happened anyway.

The UKSVB applies average deadweight figures from the HCA Additionality Guide⁴. This prevents overclaiming as it does not assume a direct cause and effect relationship between an outcome and an intervention. Using 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.

This report applies a deadweight to the New Economy values at 15%.

Section 3: Social value results

HTS have collected data on the activities delivered in 2018-2019 and recorded the resulting outputs and achievements. A **full review of this data** has been carried out and has been analysed retrospectively using HACT's Value Calculator tool and applying the UKSVB.

Two stakeholders were identified to benefit from HTS CSR programmes and is included in the analysis⁵. The first are the individuals who directly experience a wellbeing benefit from the activities or interventions funded and/or delivered by HTS. This includes those who receive training and move into employment, for example. The state also experiences knock-on benefits from HTS investment through the outcomes experienced by the individuals leading to a reduced public spending or increased tax and national insurance contributions.

Table A shows the social value created for the individual through activities delivered as part of the project where available outcomes in the UKSVB exist. Nine different UKSVB outcomes were utilised in the analysis.

Table B shows the social impact created for the state where aligned values exist in New Economy Manchester's Unit Cost Database.

Points to note:

- It is certain that there are some outcomes that were achieved but due to the evidence available for example in relation to the core activities of HTS. Therefore, no value has been claimed for improvements to the environment or physical improvements to housing.
- There are some activities as part of the programme that were delivered as that do not have a corresponding value in the UKSVB or Unit Cost Database. This does not necessarily mean that an activity (particularly in relation to fundraising activities) did not create social impact but that it is not possible to assess it currently.

⁴ <https://www.gov.uk/government/publications/additionality-guide>

⁵ It is acknowledged that this is not exhaustive and further research could reveal additional stakeholders who benefit from the activity, for example, the local economy.

- The wellbeing valuation approach, the methodology behind the UKSVB, represents the value of the wellbeing uplift experienced by individuals and therefore does not recognise the value of 'local'.
- Some values cannot be applied to the same individual together as it would amount to double-counting of the benefit created. For example, only one training course can be applied to an individual. If an individual attends multiple training courses within a year, the value of attending a training course can only be applied once.
- The value for each outcome in the UKSVB is applied on a per person per year basis.
- LM3 calculations were based on information and estimates provided by HTS and as such are not as accurate as they might be if questionnaires were undertaken with staff as to the Geographic location where they spend their salaries.

Table A: Wellbeing Social impact (wellbeing) created by activity – for the individual

Description of activity	Source of data	UKSVB outcome/ value	Average person value	No. of beneficiaries	Total social value (minus deadweight)
Apprenticeships.	Update report	Apprenticeship	£2,353	10	£18,867
Employment (previously unemployed with disability moving into employment). HTS is a disability confident organisation.	Update report	Employment	£14,433	4	£49,071
Living wage accreditation and pay rises. Estimated number of people who would report a change in financial comfort in response to the question, how well would you say you yourself are managing financially these days? Estimated that respondents would report a change from just about getting by to doing alright or living comfortably.	Update report	Financial comfort	£8,917	5	£36,036
Social Club and gym discount. Assumption made that the discount enabled participation in frequent mild exercise at least once a week.	Update report	Frequent mild exercise	£3537	9	£25,786
Harlow Council in partnership with Streets 2 Home project partnership to provide housing for rough sleepers	Update report	Rough sleeping to secure accommodation.	£24,467	8	£195,736
Internal staff training programme. HTS invests in people and regularly undertakes staff training. The training is designed to increase skills for the job.	Update report	Employment training.	£807	325	£178,860
Volunteering (Board members). HTS staff serve on 3 different organisation boards.	Update report	Regular volunteering	£3,249	3	£7,772
Volunteering staff members	Update report	Regular volunteering	£3,249	100	£259,079
Work experience. HTS provide unpaid work experience with schools and offers to the wider community.	Update report	General training for job	£1,567	150	£193,157
Total				619	£964,364

Table B: Social value created by activity – for the state and economy

The Unit Cost Database has a limited number of values and so was not possible to attach a value to all of the outcomes reported. The table above includes the values and calculations that did align with the outcomes. Where annual benefits are listed one year of value has been applied to be conservative and prevent overclaiming.

Description of activity	Source of data	Value Business productivity	Value Economic benefit	Value (cost saving) to the state,	No. of beneficiaries	Total social value (minus 10% deadweight)
Moving from unemployment to full time employment	New Economy Manchester – Unit Cost Database		£8632	£8632	4	£52,828
Rough sleepers into secure accommodation.	New Economy Manchester – Unit Cost Database			£8605	8	£61,956
New apprenticeships assumed on level 3	New Economy Manchester – Unit Cost Database	£20,352 (per organisation)	£1924.75	£1390	10	£31,805
Volunteering	Global Value Exchange: Improving services for young people an economic perspective		£250.64		103	£23,233
Total					125	£169,822

Table C: Local Multiplier 3 calculation.

Spending Round	Amount
1 Organisation turnover	£23.5m
2 Local supply chain spend (including Council profit and charity contributions)	£7.2m
3 Staff salary spend (estimated 50% local spend)	£5.8m
LM3 Calculation	£36.5m/£23.5m=1.55

Based on estimates of 50% local spend for both HTS suppliers and staff an LM3 score of 1.55 has been calculated. This means for every £1 spent by HTS £1.55 is further generated in the local economy. Local economy in this context is defined as Harlow postcodes.

It is possible to interrogate the figures and provide a much more accurate figures if an analysis was done of staff and supplier spend was undertaken which would provide greater certainty to the figures produced. This further analysis is out of scope to this report as significant extra resources will be required in round 3.

To put the LM3 score into context a LM3 score of 1 is the lowest possible and 3 is the highest. The HTS score represents a positive contribution to the local economy to be considered in relation to the wellbeing and financial/economic impacts highlighted in Tables A and B.

Table D: Combined Results –Analysis summary

In reports such as this, the value that accrues to different beneficiary groups through the same outcomes can be added together to produce an overall combined value created.

Social Impact	Value	%
Wellbeing	£964, 364	85%
The State and economy	£169,822	15%
Total	£1,134,186	100%

Key findings

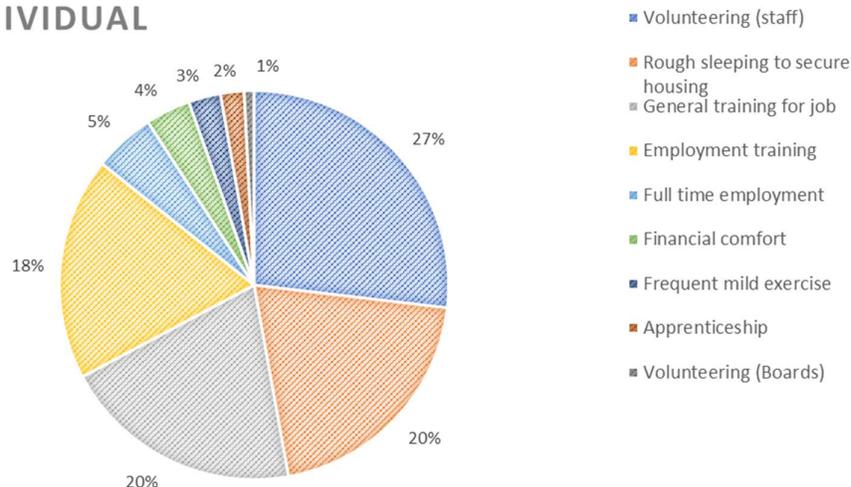
Combined overall

- Most of the social impact reported is wellbeing created for the individual (85%) with the state and economy accruing just over a third (15%)
- Employment and training make up the largest percentage of the total social impact generated (apprenticeships, general training for the job, work experience) (46%) of total combined social impact
- There is a large combined contribution made by the Streets 2 Homes project both in terms of value to the state and wellbeing impact (20%).
- Volunteering makes up 25% of reported total social value.

For individual wellbeing (Pie chart 1);

- An estimated 619 people experienced a measurable outcome (it is acknowledged that it is likely that many more individuals were engaged but the necessary evidence is lacking to claim value from the UKSVB)
- Average wellbeing value per person=£1577
- The highest value recorded per project was volunteering for staff members 27% (£259,079)
- The highest wellbeing value per person was recorded in the Streets 2 Homes project=£24,467

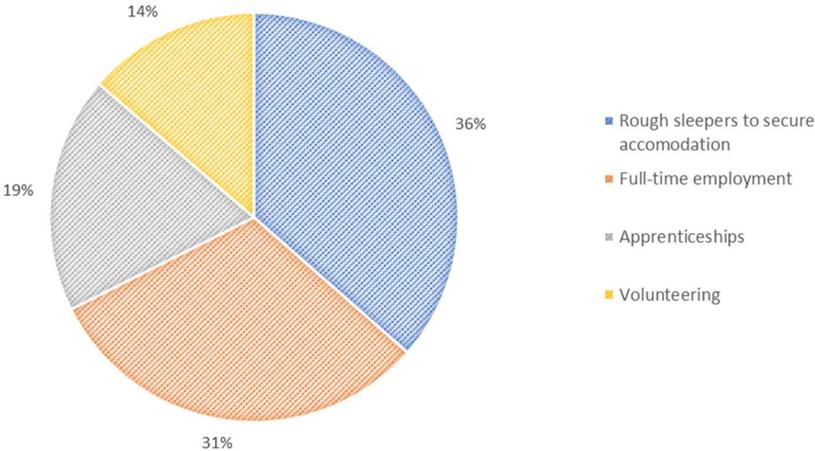
CHART 1: SOCIAL IMPACT CREATION BY ACTIVITY - WELLBEING FOR THE INDIVIDUAL



For the state and economy (Pie chart 2);

- An estimated 125 people experienced an outcome which financially impacts on the state positively and benefits the local economy.
- Rough sleeping to secure accommodation represented the highest value of social impact reported=37% (£61,956)
- Average value per person benefiting=£1,358

CHART 2: SOCIAL IMPACT CREATION BY ACTIVITY - FOR THE STATE/ECONOMY



As a multiplier to the local economy;

- A LM3 score of 1.55 has been estimated. For every £1 spent by HTS there is a multiplier in the local economy of £1.55. This score should be used as a benchmark for future economic analysis.

Additional potential outcomes

Other outcomes are likely to have generated measurable social impact (however information is not available to evidence this), including:

- An additional value can be applied if there is the necessary evidence that individuals moving from unemployment to employment have dependent children.
- There may be observable outcomes related to the impact HTS staff have had in their roles as Board members.
- The UKSVB includes values around changes to the physical environment of the home, including improvements to energy efficiency, local environment and repairs to property. Evidence that renovation work led to these improvements would enable social value to be attributed.

- HTS provides Harlow Council with a £1m profit which helps the Council to maintain and keep local services open. Further discussions with the Council would enable further social impact to be evidenced and included in future reports.
- A recently agreed three-year funding programme with Paringdon Sports and Social Club worth £15,840 social benefits will be measurable in 2019/2020.
- Due to the generous pension contributions HTS offers (3x the typical traditional defined benefits schemes). There is also potential to investigate and test whether recent retirees report higher levels of wellbeing, health and life satisfaction as compared to other non-HTS recent retirees.

Section 4: What is this telling us and recommendations

These recommendations are made with the aim of HTS understanding the creation of social value and building on the report to improve and direct social impact activities in the future.

Applying the UKSVB is only one way of understanding social impact. It is always recommended that it is used as a blend with other evaluation techniques both quantitative and qualitative, to help gain an insight and inform decision making.

Recommendation 1: Utilise the UKSVB in planning

The HACT UKSVB and complementary Value Calculator tool can act as an important planning tool. It could help HTS to understand the outcomes that would need to be achieved to generate a certain amount of social value or to achieve a specific return on investment. This can be particularly useful at the beginning of a project or in negotiations with a partner. It can also inform the set-up of systematic data collection processes, and help to plan outputs, finances and timescales more effectively.

Recommendation 2: Collect data as you go

Although the data that has been collected has made this retrospective analysis possible, if data had been collected with clear social impact goals prior to the analysis a more accurate and meaningful report could be produced. Starting this at beginning of a project would enable quality and relevant evidence (e.g. pre and post surveys, age and post code data) to be collected and enable improved social impact reporting that can be used in informed decision making. This recommendation should also apply to partner charity organisations receiving funding from HTS.

Recommendation 3: Use Social Impact analysis to develop future initiatives.

It is recommended that HTS gradually build up an understanding of 'what works' and use this when communicating the social impact offer. This will put HTS in a strong position as an informed organisation who has evidence of the most effective way to invest a limited pot of money and resources in a community.

Recommendation 4: Undertake a full LM3 study.

Undertaking a full more detailed LM3 study will build on the estimated score produced of 1.55. More investigation is required to ensure this is as accurate as it could be which will involve additional resources.

Recommendation 5: Establish or develop a social impact working group to improve and assess impact.

Understanding social impact is crucial to demonstrating progression and benchmarking progress. Establishing a working group to monitor impact with cost benefit analysis is one way of identifying improvements year on year in social impact.

Other ways of assessing progress include producing [full social accounts](#) which should include a stakeholder analysis and survey, a social accounting panel to verify and sign off results and develop an understanding of what changes. Key impact questions can also be utilised to clarify thinking such as who is experiencing change, what change is experienced, how much change is attributable to HTS.

Section 5: Summary and the future

This report demonstrates that HTS delivers a positive social impact result through its work in improving wellbeing, in the local economy and cost savings to the state. The report details the breakdown of the wellbeing benefit created to society and provides an overview of how that social impact is being created. It also begins to outline the value created to the state and local economy and provides an estimated LM3 score.

Looking to the future, HTS operates in an ever-changing environment which is shifting the way organisations think about and deliver social impact work. Housing associations, Local Authorities contractors, suppliers, 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 impact when awarding contracts.

The Social Act 2012 was a major driver in changing thinking around social value. The author of the Social Value Act, Chris White MP recently (December 2017) has written a report 'Our Money Our future' that makes recommendations to strengthen and extend the Act.

The Housing Green Paper is currently considering whether to mandate social housing providers to report their social impact. This requirement is likely to be extended to partners and contractors if formally implemented.

The UK Government has also recently completed a social value in procurement consultation exercise. This is likely to strengthen the guidance on reporting and evaluating social value impacts across the whole public sector and supply chain.

Elements out of scope for this report

- A selection of **case studies** that put context behind social value results to enable the understanding of individual journeys and experiences.