

Please see below the summary of notes from the July 2024 Social Economy ROUNDTABLE meeting focused on ‘Routes to Impact: are we chasing figures or positive impact?’ facilitated by Sarah Beaumont (BSSEC CIC).

1. Introduction

BSSEC CIC has now been supporting regionally focused Roundtables for the past 2.5 years and the feedback highlights their importance for the growth of the social economy sector in the West Midlands. Those taking part are key stakeholders working across the region within the social economy ecosystem. They represent agencies from the public, private and social economy, some with direct responsibility for growth and others supporting, thus highlighting the complexity of our ecosystem.

This session conversation was about how we report on our impact economy across the West Midlands, the challenges, the opportunities, and actions that could maximise benefit for West Midlands communities. This is the second Roundtable on Social Value and we felt it was worth revisiting as it is such an important topic within this developing agenda.

This was the first Roundtable since the General Election (2024), we spoke for a few minutes about the current uncertainty concerning how the new Government might lead the sector and how they perceive the potential for social economy organisations to tackle key challenges. Prior to the election many social economy organisations came to together to advocate to all political parties the importance of the sector and formed [The Future Economy Alliance](#). The Alliance continues to work post-election advocating a stronger effective partnership between the state and purpose led businesses.

The business plan is well worth a read: [Business Plan for Britain | Social Enterprise UK](#).

We do know, however, that [Stephen Timms](#) (Department for Work and Pensions) pre-election called for an incoming [Labour Government](#) to ‘forge a strategic partnership with the IMPACT ECONOMY’. Timms suggested that Labour should partner with businesses in the impact economy – mobilising resources, expertise and innovation to drive transformative progress across [Labours 5 missions](#). He also suggested that Labour should set up a joint treasury business and trade unit to partner with key stakeholders – so everyone is working together to address social, economic, and environmental issues. So far, nothing has emerged as an indication of what might happen or be possible. However, procurement is still seen as an opportunity to create social value and its said it will be at the forefront of contracts let. BSSEC CIC will monitor the emerging agenda as part of their sector communication role.

The new [National Wealth Fund](#) could also provide an important lever for the green economy and it will work with local partners such as regional majors with the aim of investing in new industries and creating jobs. Place-based impact will be key as this develops.

Read more: [Boost for new National Wealth Fund to unlock private investment - GOV.UK \(www.gov.uk\)](#)

Initial discussion highlighted other things the sector should monitor in the context of our ecosystem:

A. New Major in West Midlands: *What does this mean for infrastructure support and resources?*

We have [Charles Rapson](#) as our secret weapon who is working hard on this agenda as Social Economy lead. Current funding for [social economy growth](#) contracts finishes at the end of March 2025 so the next 6 months will be important for new budget setting. The new Government have already indicated they are keen to give more responsibility to Mayors and regions through devolution so long term this could create many new opportunities.

B. Business Support: *The social economy sector still reports that they find business support hard to navigate either if you are new to the sector or have been around for some time.*

There are many agencies delivering against this agenda: national sector-based, local sector-based, private sector, banks, private sector orgs (e.g. Wates), Universities, Local authorities and consultancies. Understanding by a social economy organisation as to who will meet their need is a real challenge.

C. Social Value Act: *Social economy organisations now have legislated opportunities to join supply chains for Government contracts with targets in place for Tier One contract holders to bring social economy organisations into their supply chain with reporting requirements.*

There has been cross-party support for social value achievement through [public contracts](#). However, this still hasn't realised its potential. Many comment that it would be good to see activities that create longer term impact in places that go beyond the life of contract delivery e.g. Birmingham Library. Labour in their [manifesto](#) indicated that they are keen to bring many public services back 'in house' which in the longer term as contracts finish may have sector impact.

D. Money: *How will the Social Investment agenda develop?*

[Better Society Capital](#) has not yet received funds from the Dormant Bank Accounts that provide them with funding to allocate to Social Investors. *Will there be a policy change?*

The allocation is currently still the same with the addition of the [National Lottery Community Fund](#) which will deliver a community wealth fund strand.

E. Private sector: *We need to be mindful that Private Sector businesses have woken up to the importance of their public persona linked to social impact with many now producing their own impact reports detailing work they are undertaking in communities.*

There is a belief that profit is no longer the measure of success

F. Data: *West Midlands is still challenged regarding the size of the social economy and are using approximate figures.*

There is a need for an annual update that provides details of numbers, turnover, employment, volunteers. Many other regions Social Economy Places know how many social businesses they have, what they do and how many people are employed. To be successful in lobbying for recognition of the contribution the social economy makes to the regional economy and therefore the importance of resources for support, the value of data cannot be under-estimated.

Evidence of Impact is the key thing that informs us that the ecosystem is working and therefore supports the social economy's ambition for growth.

- Our sector will get business/sales/contracts if it can demonstrate its impact and benefit.
- Our sector can borrow money through social investment if it can demonstrate impact.
- Our selling point for recruitment (staff and volunteers) is often the social value that we create.
- Those organisations delivering infrastructure support should be able to demonstrate the difference they are making. It's not just 'bums on seats' but tangible differences to the development and growth of social economy organisations. All those concerned with sector growth must evidence the change they are making and be accountable.

BSSEC CIC would like to thank our excellent key contributors for this session:

- [Heidi Fisher](#) (Founder, [Make an Impact CIC](#))
- [Simon Fenton](#) (CEO, [Forward Carers CIC](#))

We would also like to thank all those who attended for their energetic contributions that helped us all to increase our understanding and provided helpful advice on next steps.

2. What do we mean by Impact Measurement and Social Value creation?

"Social impact is the effect that actions have on people, communities, and society. Think of your social impact programmes as an effort to create public value—ideally, in ways that are systemic, sustainable, and innovative. Another way to think of social impact is as work that serves to address a local or global community need." (Natalya Taylor 2021). This was a helpful starting point for our conversations.

Heidi Fisher made three distinct points:

- What can happen is that organisations look at quantifying their work by providing a monetary value.
- What this can mean is across the country we have apparently created millions of pounds of social value and yet we still have really high [indices of deprivation](#) and many individuals and communities have been in poverty for decades.
- How is social value quantified or calculated?

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Attribution is not understood or spoken about in this context. There is no requirement for a specific methodology, mostly organisations include everything they can count (jobs, volunteering, apprenticeships etc) rather than looking at the contribution they make to that outcome. There are too many toolkits and frameworks making comparison impossible and hard for organisations to navigate and use.

Heidi advocates using parts of existing toolkits rather than reinventing a new approach.

Story telling is very important, numbers on their own are meaningless. Stories should be used to describe the difference being made to people's lives and how it was done and the numbers should highlight the narrative.

See [Pioneers Post](#) for guidance on story telling [Telling stories that matter | The Social Enterprise Magazine - Pioneers Post](#) and [Grapevine Stories - Grapevine \(grapevinecovandwarks.org\)](#).

Calculations are very short-term and are often reporting on activities that are unsustainable in the long term. We could do social value creation much more effectively. We should be looking for long term change, tracking change with funders, investors and commissioners being able to see changes occurring over for example a 10-year period.

- Keep impact measurement simple and learn.
- Do not measure everything.
- Tell stories and provide case studies to help audiences to understand the difference you are making.

Simon Fenton gave his perspective as an organisation reporting of their social value:

Forward Carers have come up with their own [social impact](#) measurement approach having previously tried using other approaches. They have invested heavily in data collection and systems and used the information to improve the quality of the services provided to carers.

For contract management they found that Commissioners were obsessed with KPI's and meeting targets which frustrated them, so they added dimensions to their reporting that ensured that these were also impact driven. Forward Carers wanted to understand their monetary impact and have been transparent about assumptions in calculations for [Social Return on Investment](#) which they also report on.

There were comments from the participants on the effectiveness of social value legislation and social value percentages required in contracts. Concerns that often decisions were based on price.

There were frustrations that reporting may not entirely account for impact created at the delivery location and data is often not audited and or authenticated.

Impact measurement is not just a technical exercise but a broader strategic, management and leadership essential. It is important to distinguish between social value that is a requirement for the legislation (i.e. mainly focused on staff wellbeing, creating jobs, skills development and training, and environment/sustainability), and the wider definition of social value which looks at the entire social,

economic, and environmental impacts an organisation creates - *for social enterprises this second category will always be more powerful due to their direct work with clients.*

An organisation can tick the boxes effectively for social value for legislation but not through their day-to-day operations, and this is where social enterprises could demonstrate a way of working that embeds social value throughout their operations, and which delivers more social value than the basic requirements.

There was a general feeling that we are not understanding why social value happens and what social value is being created for clients and customers, this is such a missed opportunity.

A good example is apprenticeships. How effective are they? What are they counting? Contract responsibility is passed down from tier one contract holders to the broader supply chain with associated risk. Often at the end of contracts apprenticeships are terminated and there is no understanding of the positives or negatives of the programme and the local impact.

Concern was expressed that over the years much money has been spent on regeneration of areas of multiple regeneration and this is not changing. How much of this investment is ending up in communities and how much is being extracted? Social impact measurement could have an important role going forward to redress the balance?

Evaluation of our sector-based [regional growth programmes](#) will be important going forward? How will these work? Could we learn from the [Goldman Sachs 10,000 Small Businesses Programme](#) and take a longer term approach in monitoring sector growth (ie. 10 years?)?

How do we get social economy organisations in the region to tell their social value stories more? Story telling has come out of American evaluation community. They set out to create a contribution story. With long-term follow up this could contribute to understanding the changes taking place.

3. Conclusions: How should we be approaching Social Value measurement in the West Midlands?

[TOM System](#) etc start at the end of the contract and have no focus on the beginning. Many of the numbers in TOM System aren't validated, and generally support commercial organisations to bump up their social value figure rather than being a true reflection of their social value contribution.

The commissioners need to think about what they are procuring. They need to switch thinking to realise that they could buy social value and get the service and or product within the same contract. Some organisations are already commissioning in this way e.g. a Housing Association commissioning a maintenance training for residents and local people who then provide maintenance for the properties they live in.

Achieving social value is what they are buying!

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There's work to be done to support commissioners to understand the importance of designing what they want and need, and to know that the contract is at the end of the process. Estimate the benefits that are being looked for and you will get change.

The system currently drives efficiency rather than effectiveness. Risk assessment was suggested as important here in considering what do you do if you do not create impact.

Is there an opportunity to exert influence over commissioning bodies in the region?

They all have a different approach to social value creation and measurement. Not just [West Midlands Combined Authority](#) but NHS, Network Rail, Innovate UK, DEFRA amongst others. Is there the opportunity to develop a pilot that tests out commissioner led procurement?

Labour has a plan to establish a Social Value Council who will have responsibility for what is being delivered through public sector contracts. This will influence buyers through the emphasis on social value at procurement.

Shouldn't the emphasis be shifted based on the previous discussion moving the focus to what is commissioned and the imperative that evidence is provided in terms of what is being asked for is being delivered?

There is nervousness about weighting in contract assessment for social value, it provides the opportunity for an organisation to set out what intends to do in broad terms with likelihood of this being monitored.

Impact and change for people, the economy and the environment needs to be front and centre of commissioning and something being bought. Rethinking our approach to social value could be the single thing that impacts on the success of the regeneration of our cities, towns and villages within the West Midlands and the growth of the social economy sector.

Sarah Beaumont, Director BSSEC CIC July 2024

If you have any questions about this Roundtable event, please ask, we're happy to help.