

What Makes the Impact Evaluation Standard the Social Value Framework of Choice?

What is the IES? And what makes it different from the other frameworks that exist for measuring and reporting on social value?

In this article you will learn why there are various social value reporting frameworks in use and what makes the IES the most robust, consistent and defensible, as well as being the framework shaping the social value of the future.

Why are there Multiple Social Value Frameworks?

One of the biggest challenges with social value over the last ten years has been pinning down exactly what it means.

As Chris White, the MP who brought forward the bill that took the concept into law, said in 2019:

“We mean ‘value’, not in its narrow (financial) sense but in its true sense – recognising the importance of social, environmental and economic well-being across our communities and in our lives.”

But how do you quantify the benefit a community gets from - for example - a new park versus the cost of building it? And how do you compare that benefit to alternative positive interventions in the same community?

It's questions like these that social value frameworks seek to answer. But in the absence of definitive guidance on “social, environmental and economic well-being”, it was hardly surprising that multiple systems sprang up.

Why the Social Value Model Changed the Game

When it was published in December 2020, the [Social Value Model](#) changed all that.

Over the course of its 32 pages, the Model set out the government's definition of “what counts” as social value in public procurement across. You can read more about it and what it covers in our [Social Value Glossary](#).

But overall it is a comprehensive account of everything that central government is looking for social value undertakings to deliver, along with how it should be presented and measured.

And when [PPN06/20](#) came into effect in January 2021 - requiring central government departments, their executive agencies and non-departmental public bodies to give a minimum weighting of 10% to social value in awarding contracts - even more of the remaining ambiguity was swept away.

Some public sector bodies - notably local government - and private businesses are not bound by the definitions set out in the Social Value Model. So as a result, many are still using earlier frameworks based on less comprehensive, less rigorous methodologies.

But with central government and [NHS bodies relying on the Social Value Model](#) and with the supply chain impacted too, the pressure to adopt these latest standards is growing.

Is it Possible to Rely on Different Frameworks for Different Contracts?

Most people whose work touches on social value will be familiar with the idea of measurement and monetisation frameworks. They typically consist of:

- Metrics - suggested ways of selecting and measuring impacts and outcomes
- Proxy values for those metrics - that enable results to be translated in cash terms

And is it possible to rely on different frameworks for different contracts?

Of course. But:

- It is highly inefficient
- It encourages a case-by-case approach to social value and bids, rather than a streamlined company-wide social value strategy that can be applied consistently, bid after bid after bid
- It limits companies' ability to use previous accomplishments on other projects as evidence of their ability to deliver

When a company decides to make a long-term commitment to social value, it naturally makes sense to use a single standard - which should be the most demanding, so as to cover the greatest range of use cases.

The Impact Evaluation Standard: A Framework Designed for the Social Value Model and For Measuring Real Impact

What is the [Impact Evaluation Standard \(IES\)](#)?

The IES is a social value reporting framework developed by a consortium of social value advisors and overseen by an independent steering committee of experts with decades of experience in the field. The IES contains:

- 121 metrics and sub-metrics measuring social value outcomes
- Metrics that are aligned with the Social Value Model, the [UN Sustainable Development Goals](#) and many common ESG reporting areas
- Extensive guidance on how to use these metrics to devise social value
- Carefully designed and calibrated proxy values

The IES's proxy values have been developed by scouring official guidance to devise calculations that stand up to the toughest scrutiny:

- First and foremost, the methodology is drawn from the [HM Treasury Green Book](#) (which spells out how public bodies should “appraise policies, programmes and projects”)
- Proxies are then derived from publicly available data sources, such as reports from the Office for National Statistics (ONS) - allowing them to be scrutinised

Only those that are definitely, 100% valid in the terms of the government's own guidance and model are included.

And only those that can be backed up with transparent, rigorous evidence make it in.

That means the IES calculations are wholly reliable and immune to “soc-washing” inflation.

What makes the Impact Evaluation Standard different from other Social Value Frameworks?

1.

It has the UK Government's Social Value Model at its core making deployment of, and compliance with, PPN6/20 and the Social Value Model easy for both suppliers and clients

While other frameworks are being revised to map to some component parts of the [Social Value Model](#), the IES is the only framework aligned to and including the Policy Outcomes, Model Award

Criteria and Reporting Metrics. It is critical for successful compliance with the Social Value Model to directly address the requests in tenders, which makes the IES the best fit for organisations with such reporting requirements.

In more detail this means the IES:

- Is clearly structured around the Social Value Model's Themes, Policy Outcomes and awarding criteria (MACs) providing frictionless alignment
- Directly incorporates all 52-reporting metrics within the Social Value Model into the 121 metrics. The streamlined IES metrics are regularly reviewed to ensure they are timely, meaningful and practical
- Adds additional metrics under the same Themes, Policy Outcomes and MACs to give additional reporting options and to plug obvious metric gaps in the Social Value Model
- Adds 'sub metrics' to many of the more vague Social Value Model metrics. This provides clarity and additional reporting options for these metrics, as well as retaining the ability to report the principal Social Value Model metric
- Provides clear guidance specific to each Social Value Model metric on how social value should be evidenced, enabling consistency of reporting
- Adds proxy values to the Social Value Model metrics (where relevant data is available), enabling valuation of your social value activity

2.

The data sets used for the IES proxy values take into account real life impacts and removes unrealistic distortions.

The collective experience of [IES contributors](#) in various fields - from economic data assessment to 'on the ground' delivery of social value initiatives - has allowed the proxy values to be derived in a way that reflects real-life outcomes.

The IES is not solely reliant on analysis of pure economic data but seeks to understand what is behind the data in real life so that users can have confidence in the value of their outcomes.

Example 1: Consider metric IM118: Number of full time equivalent (FTE) hires of those who were Ex-Offenders, Proxy Value £22,479.

Some other frameworks factor in the total cost of crime in calculating proxy values, including major crimes that determine a life sentence in prison.

But individuals convicted of major crimes will hardly ever feature among those helped back into employment through social value schemes so is not a particularly realistic scenario to factor in.

Further to that, the IES proxy for this takes into account current reoffending rates as many ex-offenders move back into employment without assistance.

So, the IES leaves out highly distorting cases from its own methodology, giving a lower - but more realistic – ‘cost of crime’ figure.

Example 2: Supply Chain Spending and relative weighting

In the real world, spending £x with smaller organisations will have a greater economic impact than spending the same amount with larger organisations. They tend to have localised employees and supply chains, and the relative income to their turnover will have a greater impact on their business, enabling them to invest in new employees, new equipment and business growth.

This was highlighted in the Federation of Small Businesses Report ‘[Local Procurement Making the most of small business, one year on.](#)’

So, unlike some other frameworks, when valuing the spend with Small & Medium Enterprises (SMEs); Voluntary, Charitable & Social Enterprises (VCSEs); and Start-up Businesses, the IES gives an additional weighting relative to the valuation of spend with other larger organisations.

3.

Focused on measuring the actual outcomes of your social value activities

Many other frameworks still rely heavily on valuing ‘inputs’ or ‘outputs’. However, this really is putting monetisation before impact and runs the risk of enabling “soc-washing” - helping companies to claim huge amounts of value created that doesn’t stand up to scrutiny.

One of the key principles of social value measurement, as defined by Social Value UK, is to measure the **outcomes** of your intervention. I.E. What difference the intervention has made to the beneficiaries.

The IES aims to drive quality of outcomes, rather than quantity of outputs.

Example 1: Volunteering

Other frameworks will value volunteering based upon the replacement cost of the wage of the person volunteering.

With this principle, in an extreme example, you would therefore be saying that if the CEO of a large organisation paints a fence for a community group, the value to the community group is the CEO’s salary for the time spent (the input). This is, of course, not the case. The value to the community group is the money they have saved from not having to employ a painter, and the hourly rate of a painter is significantly lower than that of a CEO of a large organisation.

Within the IES, the value of volunteering is based upon the principle of what it would cost to employ a worker to do the same job which is much more realistic and appropriate.

An outcomes-based approach is not possible for all proxy values; the data sets and research are just not yet advanced enough for everything. However, the IES focuses on ensuring an outcomes focused approach is adopted where possible.

The principles of outcomes-based measurement are already embedded in the IES so when open data becomes available or a customer can provide data of their own, this is easily and quickly adopted.

Example 2: Wellbeing

The wellbeing values within the IES are derived from WELLBY, cited in HM Treasury Green Book Wellbeing Guidance. This indicates that an individual moving from unemployment to employment experiences an increase in their personal wellbeing of 4.6% the wellbeing. If a customer uses questionnaires to measure the change in their employee's wellbeing due to their interventions, then this data can be used to inform a more bespoke wellbeing value.

Outcome-based robust assumptions have been used in many areas including apprenticeships starts/completions/weeks (using national retention/success rates), employment of disadvantaged groups (employment and reoffending rates of offenders).

The IES is driving change and driving good behaviour towards a better future.

4.

The IES ensures you don't overclaim your social value

One of the other primary guiding principles of social value measurement as defined by Social Value UK, is to ensure you do not 'overclaim'.

Inherently, the IES takes a conservative approach to proxy value development, where other frameworks may not.

Example: How long can you claim financial benefit for an intervention?

The IES financial proxies consider 1 year of value. Informed by real life delivery of social value initiatives, it is impossible to make assumptions whether an individual will continue to benefit from an intervention after 12 months. We are not saying that the original intervention does not have any value past 12 months just that it is impossible to quantify this value across all interventions without further evidence being gathered from the beneficiaries in Year 2,3,4 etc.

Some frameworks take the opposite approach, assuming that all interventions have value that extends over a number of years. They put value discounting in place to reduce the value year by year but this still provides an over inflated value for a single intervention.

5.

The IES is transparent and consistent

The social value sector has been criticised for two issues in the past:

Consistency – with multiple methodologies of measurement and various valuations for different social value activities - and **transparency** around where the numbers come from.

While the IES cannot solve this alone, it goes a long way to addressing this concern.

Transparency

The IES is fully transparent about the data sources it uses and the rationale for the development of individual proxy values. This helps mature the social value sector as a whole, providing an openness for all organisations to make their own appraisal of the suitability of the IES for their needs.

Consistency

If a set of metrics and valuations is to be applied to measure social value, it is imperative that consistency is on one of the core attributes of the system.

Consistency enables comparison – for example, year on year within an organisation, or between organisations or sectors.

And with the ever-growing scrutiny of the social and environmental sustainability data that now sits alongside an organisation's financial reporting this type of data will inevitably be audited in the near future.

So, to ensure consistency and make sure your data is future proofed, the IES comes with a full suite of guidance on how social value claims against each metric should be evidenced.

6.

Manageable suite of metrics – some frameworks have hundreds of metrics, making consistency and balance impossible

The consistent application of a clear and understandable suite metrics is imperative to quality social value reporting.

If too few metrics are used it is possible that important social value delivery is missed.

However, a more common problem is trying to capture information against too many metrics. This can lead to confusion on which metrics to use and how to compare them against different projects.

It also makes it highly likely that, at an operational level, users will not consistently have data available or, importantly, the evidence to back up the data or transparency on how the data was derived.

With an overall ethos of trying to drive good behaviour in social value reporting, the IES's suite of around 120 metrics purposely provides an ideal balance between enough breadth of choice without adding too much complexity to be useful at an operational level.

The IES bases all of its metrics on valid, up-to-date data and research that meets high quality standards. This has the advantage of providing a great deal of transparency. The benefit of transparent metrics is that they enable social value consultants to design, implement, and execute initiatives more effectively.

7.

The IES has created the foundation for the future of social value measurement

- Good behaviour for a better future of social value measurement is at the core of the IES. A focus on outcomes-based measurement is helping to drive this.

“Does this drive good behaviour, from the beneficiary’s point of view?” and “what are we trying to achieve?” were two of the questions that informed the development of all of the IES’s metrics and proxy values.

- Incorporates the ability to capture national supply chain spend as well as local supply chain spend. This is in line with the Social Value Model approach but, more importantly, takes into consideration the value of money spent in ALL local economies. Moving away from politically enforced “local” boundaries regardless of need and towards spending money where customers can make the most difference.
- Well placed to adopt new calculations in the future.

Example: Where possible, the WELLBY factors cited in recent HM Treasury Green Book guidance have been included as a component in proxy value calculations. These are currently ‘off the shelf’ figures, but this paves the way for much more bespoke assessment of wellbeing in future.

So now you will have a good understanding of what sets the IES apart from the other social value reporting frameworks available, why it is so highly regarded by academics, social value experts and commercial entities and why both public and private sector organisations have been so quick to adopt it.