Fertilising the Soil for the Greater Social Impact

Al-Ani, Ayad; Read, Hannes; Stevenson, Nicky; Griggs, Steven

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UNIVERSITIES, VOLUNTARY COMMUNITY AND SOCIAL ENTERPRISES, AND SOCIAL VALUE

A report by:

Ayad Al-Ani
Johannes Read
Nicky Stevenson
Steven Griggs

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The Authors of the Report

Ayad Al-Ani is the director of London Central Academy and a community organiser in Staffordshire County.

Johannes Read is a Policy and Data Analyst at City-REDI, University of Birmingham.

Nicky Stevenson is a Senior Lecturer in the Faculty of Business and Law at Anglia Ruskin University

Steven Griggs is Professor of Public Policy and Director of the Centre for Business, Innovation and the Regions at the University of Staffordshire.

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KEY MESSAGES AND RECOMMENDATIONS

Social value has become an established and recognised measure of the outcomes and impacts of public policies and services. **However, our evidence confirms that voluntary, community and social enterprises (VCSEs) still face persistent challenges or obstacles to engaging in the social value measurement.** VCSEs repeatedly voiced concerns over the resourcing of social value impact measurements, as well as the required expertise to undertake this work. Existing measures, it was argued, can be complex to implement and require resources of time and commitment within small and over-stretched organisations.

VCSE organisations often state that the most significant outcomes of their work are difficult or impossible to measure. They repeatedly underlined the difficulty of capturing so-called 'intangible impacts'. Too often, the wider impact of how change is understood and measured has not been captured, with significant consequences for individual organisations and wider society. Many VCSEs keep records of how many people they support and collect feedback from them saying that they benefitted from the service. They frequently find it more difficult to measure the impacts of services unless they are specifically funded to do so.

There is a **growing gap between large and small groups** in their capacity to understand and adopt impact measurement processes, which potentially threatens the sustainability of valued small, local groups. **AI offers, we found, one potential response** to the complexity of measuring impact which ma**y** result in more small organisations making the commitment to measure their impact. However, care should be taken to recognise and account for the **inherent subjectivity in AI tools and approaches, as well as the ethical responsibilities** of using AI tools.

Commissioners can often be highly prescriptive about the information that they require and the means of collecting the data. Many commissioners want to show value in terms of cost savings and economies of scale and are not concerned with wider social benefits or savings made elsewhere. In many instances neither commissioners nor delivery organisations focus on **what changed** as a result of the service being delivered or what specific data should be systematically collected as evidence of change

Universities, we suggest, as **anchor organisations, are well positioned** to facilitate the further engagement of VCSE organisations in the social value agenda. As part of their civic mission, universities can better mobilise their local spend to support VCSEs, as well as making better use of teaching and research opportunities to support the development of sector. They can also create and measure social value, which could be transformative to public spending budgets and the delivery of services. However, the delivery of such transformative outcomes requires universities to rework their approach to social value, not least adopting **a strategic cross-university approach which opens up two-way dialogues with VCSE organisations, while adapting procurement processes that hold universities to account for their contributions to the production of social value.**

Moving forward, proxy values, we conclude, need to be **integrated within a specific theory of change and set of organisational values,** and cannot simply be plucked off the shelf by an organisation. We call for a dialogue on the necessarily plural and bottom-up indicators of **social value *in use*,** seeing proxies as a more of a 'D-I-Y' manual from which organisations can pick and choose to pilot and design their own intuitive and low-resource indicators of change tailored to the different contexts of their organisation.

Checkpoints

For universities working with VCSEs

- Adopt **co-production** relationships with VCSEs, based on mutual respect and reciprocity.
- Provide VCSEs with **proxy measures and training** (on both calculating value and data collection) to help demonstrate the social value they are generating.
- When commissioning services from VCSEs, be **clear** about what **change** the commissioned service will achieve.
- **Break down larger contracts** into more manageable contracts for smaller organisations.
- Discuss with VCSE delivery partners what **evidence they already collect** and the best method of measuring the impact of the contract.
- **Avoid taken-for-granted academic terminology and jargon** when communicating with VCSEs.

For universities as anchor organisations

- Ensure senior staff, including pro- and vice-chancellors, have **responsibility** for the delivery of social value.
- Review university **procurement processes** to include a consistent social value weighting.
- Put in place university-wide processes to **track engagement** of VCSEs in teaching and learning, and in research activities
- Understand the longer-term impacts of **commissioning** decisions on the local economy and the importance of maintaining a healthy mixed economy of suppliers.
- Consider where benefits may be created for other commissioning bodies and negotiate how **benefits for the wider community can be achieved and paid for**.

For VCSEs engaging in the production of social value

- Start with a **theory of change** setting out programme goals and steps to achieve them.
- Collect **robust and consistent data** tracking all activities down to numbers accessing services and support sessions provided.
- Understand what **changes for beneficiaries** and collect data measuring these outcomes – it is important to **engage beneficiaries** in identifying and capturing what change looks like.
- Use **multiple forms of evidence** but ensure necessary ethical guidelines are in place when engaging vulnerable people and when generating and storing personal and sensitive information.
- Select a **measurable outcome** using an existing method and consider the different ways that beneficiaries' evidence of change can be translated into selected measurements.
- **Do not reinvent the wheel**: use existing proxy values to place a monetary value on the change that each beneficiary has experienced.

- Communicate **additional contributions**: recognise how, and to what extent, services add value to what is required in a grant or contract, collect evidence of this and inform the commissioner.

FERTILISING THE SOIL FOR GREATER SOCIAL IMPACT

Universities increasingly look to advance their civic and social missions, as well as their economic role and responsibilities. This is especially important as universities are one of the key anchor organisations working in and with local communities. Indeed, the multiple social and economic impacts of universities have, in recent years, come to reframe debates surrounding research and teaching excellence, social impact and knowledge transfer. However, these shifts have not been without their contradictions and tensions. Notably, 'anchoring' or the economic contribution of universities has tended to crowd out the 'civic' or social, with too little attention devoted to how universities can support the development of bridging capital and connections across these communities.[1]

In this report, **we draw on the call made by O'Farrell et al. (2022) for universities to better align social and economic missions**. We critically analyse how the social value agenda and the engagement with local community organisations offers opportunities for universities to contribute to the local social value eco-system. More specifically, we explore how universities can work more effectively with voluntary, community and social enterprise organisations to advance social value production, both independently and collaboratively with local organisations. In so doing, we demonstrate how universities can use their social and economic influence to better align their anchor and civic missions.

The social value agenda has come to challenge taken-for-granted understandings of performance measurement, broadening understandings of 'value' to encompass social, economic and environmental benefit. Organisations looking for ways to measure their contribution to social value are not short of different proxies, measures and tools for organisations to monetise their social, environmental, economic, health and cultural outcomes. But these **social impact measurement tools are often expensive, time-consuming to administer, and generally inaccessible for smaller voluntary and community organisations and social enterprises (VCSEs).**

As a result, many organisations that contribute value, other than financial returns, are unable to easily capture and demonstrate their added contribution to their stakeholders, funders, and government. **Universities, we argue, are strategically placed to support VCSEs to overcome such challenges and measure social value, while enhancing their own social value production in the process of collaboration.**

WHAT DO WE MEAN BY SOCIAL VALUE?

Civic universities and VCSEs are often required to demonstrate the impacts of their social and economic missions. One approach is to monetise the non-monetisable impacts. Since the introduction of the Public Services (Social Value) Act in 2012, and its recent update in 2023, there has been an increase in organisations offering services to measure social impact and monetise the social, environmental, economic, health and cultural outcomes through approaches such as Social Return on Investment (SROI) .

In some instances, price is a barrier preventing smaller VCSEs using some resources, other tools are free to use and accessible. One example is the Greater Manchester Unit Cost Database that provides 900 cost estimates on crime, education, employment, environment, fire, housing, health and social services into one place. Examples of the free-to-use resources can be found in the Appendix.

However, we accept that social value is something of a 'contested concept.' On the one hand, social value, and specifically social return on investment measures, are seen to be a means for VCSEs to demonstrate their wider impacts and indeed competitive advantage over alternative providers. On the other hand, social value measures can be dismissed as costly, as a threat that promises to transform the activities of VCSE organisations, and/or advance a managerialism of their missions, not least through efforts to commodify services (Liston-Heyes and Liu, 2022).

In other words, we start from the assumption that 'social value' is not fixed but fluid, such that it means different things to different people at different times. Rather than trying to pin its meaning down in a necessarily constrained definition, we focus on how social value is used in practice, remaining open to different understandings and to bottom-up perspectives of what it is that people do when they produce and measure social value.

In what follows, we first examine the findings of our review of the existing literature of how universities are engaging in their civic mission and role as an anchor organisation, particularly in relation to their relations with VCSE organisations. We then discuss the findings of our interviews and workshops with VSCE organisations and university administrative leads. In conclusion, we set out how our evidence further asserts how universities can support VCSEs to meet the challenges, and broaden the understanding, of the social value agenda and in the process better align the civic and economic missions of our higher education institutions.

Research Design

The project brought together an interdisciplinary team of researchers in a pragmatist problem-led inquiry. Members of the research team who worked across the boundaries of the civic university and the voluntary and community sectors. Data generation and analysis took place in three steps:

- First, the team undertook a literature review or rapid evidence review of the evidence base on monetizable, social, cultural, health and environmental impacts, as well as a review of available SROI tools.
- Second, we undertook a series of interviews and case study vignettes with five VCSE partners operating in the county of Staffordshire (each with different size, operations, seniority, and activity field, from a grassroots community organisation to an international youth-focused charity). Semi-structured interviews, which lasted up to an hour, delved into the approaches of capturing impact, the nature of measurement challenges, and the essence of collaborations with higher education institutions. All interviews were recorded, transcribed and analysed thematically.
- Finally, our emerging findings were 'tested' in an online webinar, attended by 35 participants from universities and VSCEs. The two hour webinar was organised in two halves. In the first half, the research team captured feedback on findings. In the second half, the participants broke into three different workshops (on existing and potential measurements of social value; challenges of reporting social value; and the potential for future collaboration with higher education institutions). Each workshop lasted 30 minutes and was followed by 15 minutes of collective discussion and reporting. All comments and conversations were captured by facilitators and recorded via Padlet.

The research was ethically approved by the University of Staffordshire, and the principles of voluntary consent, harm avoidance, anonymity and confidentiality were applied, and reflected upon, at each stage of the research and its dissemination.

WHAT DO WE KNOW ABOUT UNIVERSITIES AND THEIR CIVIC AND ECONOMIC MISSIONS?

Our critical review of the existing evidence base drew out one primary lesson: **there is significant potential for higher education institutions and voluntary, community and social enterprises (VCSEs) to work closer together to generate greater social value**. However, it also identified a number of challenges or persistent obstacles in the way of delivering such collaborative social value outcomes. Obstacles included: the absence across many universities of a joined-up strategic mission towards the generation of social value; the resource imbalances and cultural differences that can exist between universities and VCSEs; the dominance of individual and sporadic relations between universities and VCSEs; a continued lack of the necessary data to measure the social value of partnerships with VCSEs; and procurement processes which do not always marry with the capacity of many VCSEs.

In what follows, we first outline the potential economic impact of the university spend on VCSEs through social value partnerships. We then outline four different ways that universities support the VCSE sectors to build an environment to generate greater social value:

- Firstly, **building two-way relationships** between VCSE and higher education that can establish a strong foundation for partnership.
- Secondly, **meaningfully engaging VCSE sectors in the research and teaching** that helps connect cutting-edge theoretical work with real-life applications.
- Thirdly, **supporting VCSE organisations to bid for and win procurement contracts** to increase the flow of money into the sector.
- Fourth, **enhancing universities' civic accountability** by putting in place consistent policies and practices to generate, measure and evidence social value.

Universities as local economic anchor organisations

Large organisations, such as universities, but also hospitals, local authorities, prisons and large voluntary and communities organisations, are referred to as anchor organisations. These organisations have an important presence in a place; they are large employers, and are rooted in their local areas with capacity to forge partnerships with local communities. As such, universities are widely recognised as having the potential to play an important 'foundational' role in local, regional and national economies.

Analysis from Universities UK and London Economics shows that, across the UK, the economic impact of research and knowledge exchange amounted to an estimated £63 billion in 2021/22. Over the same period, the economic impact of teaching and learning was estimated to be £95 billion. Across these sets of activities, university expenditure and procurement were estimated to be around £70 billion per year. These studies of the spending power of universities do not solely focus on the VCSE sector. However, they endorse, we suggest, arguments that the local economic spend of universities can have significant direct and indirect implications on the vitality of the third sector and community groups, notably providing **evidence for the multiplier or spillover effects of university spending on research, and indeed teaching**.

Importantly, further analysis from London Economics (2024, p.ii) and the Department for Business, Innovation and Science (2014a, 2014b) underlined the spillover or multiplier effects of the economic spend of research. By taking a weighted average of the multiplier effects, it is estimated that **productivity spillovers from university research provide 'an average**

spillover multiplier of 4.95, suggesting that every £1 invested (from public or private sources) in [Higher Education Providers'] research activities generates an additional annual economic output of £4.95 across the UK through positive productivity spillovers to the UK private sector.'

As a result, **it is possible to monetise the value of HE research conducted in conjunction with VCSE organisations**. If a university can demonstrate how much research income is attributed to the VCSE partner organisation, there is scope to apply multipliers to demonstrate the economic impact. Such calculations can help make the economic case for conducting research in partnership with VCSE organisations. However, this exercise must be treated with caution because the multipliers can range widely.

Using university economic power to build opportunity for VCSEs

There is **a need to better identify research spend with VCSEs**, particularly, in the current context of wider budget cuts across universities where there is a risk that support for collaborative research with VCSEs is withdrawn as universities make cutbacks. However, our review of the literature did not identify a body of work on the economic impact of university research on supporting the VCSE sector. The lack of literature, and therefore a lack of a baseline, makes it difficult to build an evidence base for the monetised impact of research with VCSEs.

In the first instance, researchers, universities and research funders should record the amount of research funding given to research conducted with or by VCSEs. **There should be a breakdown of the proportion of the UK's research and knowledge exchange activities (which created an economic impact of £63bn in 2021/22) that is spent directly with VCSEs**. This will help researchers and universities make the case for the impact of working with VCSEs through research.

But equally, **there is a risk that in the current higher education funding crisis, universities revert to a narrow definition of cost-minimising in their spending decisions and procurement practices**. There is still an opportunity to support social value, whilst also delivering value for money goods and services. **Procurement teams should therefore consider a broader definition of value for money**, as well as reducing barriers for VCSEs to bid for contracts. Making it easier for VCSEs to demonstrate their value for money, and therefore win contracts, can enable universities to support the VCSE sector. There is a measurable dividend of this change in procurement practice. The economic impacts of university procurement totalled £70bn in 2021/22. A 5% increase in procurement spending with VCSEs could provide in the region of an extra £3.5bn boost to the VCSE sector every year.

These partnerships could result in greater impact of university budgets on the local communities they serve, creating additional social value. In other words, **university spending should be seen as a fundamental instrument of the civic mission of higher education**. This focus on the strategic spend of universities was endorsed by workshop participants, with one breakout group in our webinar linking the use of university procurement processes to 'move measures of social impact – accurately report the difference we are making – not just money, but the value of the education system.' We did find evidence that universities are seeking to develop this civic mission. Universities are adopting community wealth generation programmes and joining forces with public sector partners in networks of anchor institutions aiming to use their local spend and procurement to generate social value. Examples include the Birmingham Anchor Network, Sandwell Anchor Network, London Anchor Institutions' Network, Community Wealth Building in Preston, and Leeds Anchor Network. Community engagement toolkits such as the Applied Research Collaboration North East and North Cumbria can help support this.

In an **example of good practice from Preston**, efforts from anchor organisations including Lancashire County Council, University of Lancashire, Preston's College, Cardinal Newman College, Community Gateway Housing Association, and Lancashire Constabulary have increased their spending within Preston from 5% to 18.2%, and spending within Lancashire from 39% to 79.2%.

However, universities are large organisations that have many channels of communication, complex and potentially competing priorities and activities and multiple stakeholders in local, national and international communities. Whilst a social mission may be highlighted in the strategies of many "civic" universities, **there are lots of competing interests that can dilute its effectiveness in practice**. Notably, research impact agendas can be overly conflated with the civic mission of the university, transforming VCSE organisations into vehicles for research to be done "to" rather than "with", where VSCEs provide ad hoc support often for the pre-determined research agenda of an individual researcher. On the contrary, our review suggests that the foundation for generating social value starts from a strategic mission which is embedded throughout the university. The work towards this mission is nurtured through the building of relationships and networks.

Towards a strategic partnership with VCSEs

Building two-way strategic relationships

Relationships are built with people, rather than institutions. As universities are such large institutions, people from VCSEs may not consistently interact with the same people at a university, which provides a block to building relationships. This is the first hurdle that universities need to overcome to even begin unlocking their potential in supporting social value. **There needs to be a strategic coordination for engagement with VCSEs, and a better embedding and overlapping of relationships.** Universities' working processes for teaching, research and procurement need to recognise the needs of VCSEs.

Engaged teaching and research with VCSEs

Teaching and research are core components of university work. However, there is little data that shows how much teaching or research income is conducted with VCSEs. Workshop participants thus called for 'more structured ways to capture [social value] across the university'. Data on the courses, modules and number of students working with VCSEs as part of the curriculum, or students taking part in work experience opportunities is difficult to pin down. Where there are many good examples of engaged teaching and research at a local scale, this is rarely aggregated at institutional or national level. Beyond universities, the case can be made that **funding councils should begin to map the flow of research funding from university research programmes into the voluntary and community sectors.**

Supporting VCSEs to win procurement contracts

Current university procurement processes are laborious, time consuming and off-putting for VCSEs. This is a barrier to universities working to generate social value in their area. The **executive leadership of universities should seek to create a strategy for a change in procurement processes**, as well as practical actions to make this change happen (for example reviewing insurance thresholds).

Accountability, measuring and evidencing social value

In turn, this requires **putting in place clear lines of accountability for measuring and evidencing social value**. First, universities should support the **measuring** of a broader range of social value impacts in their work. Second, universities should be **accountable** for measuring current activity of their work with VCSEs, which includes breaking down existing practices to help bridge the gap with VCSEs.

WHAT DID WE FIND OUT ABOUT VCSEs AND THE SOCIAL VALUE AGENDA

Our study identified a clear aspiration across VCSE organisations to engage further in the social value agenda, improving the measurement of the impact of the diverse activities and contributions across the sector. Yet, **we found a continuing set of mismatches between the capabilities and capacities of many VCSE organisations to evaluate such outcomes and the demands of the social value regimes, and indeed the working practices of many universities**. As such, our evidence points once again to a diverse VCSE sector in which individual organisations are motivated to improve their measurement practices but remain constrained by resources, complexity, and the underpinning design of social value systems that do not always reflect VCSE realities. Workshop participants repeatedly reported difficulties in articulating the full extent of their value to funders, stakeholders, or the public. At the same time, they echoed calls for 'light-touch' ways of reporting, not simply due to the limited resources available, but also to avoid the 'reporting of social value getting in the way of delivering change.' With that in mind, we turn to the first of the strategic mismatches between social value regimes and VCSE organisations.

Mismatch 1: Between Metrics and 'Intangible' Impacts

Our evidence confirmed that, across the sector, **there is widespread use of multiple methods, both qualitative and quantitative, for tracking the social value contribution of VCSCE activities**. On the one hand, we found VCSE organisations using quantitative measures, calculating for example increased footfall through programmes, community participation or amassing volunteer hours as evidence of social value production. Familiar practices included decision engagement observation, traceability of training participation, and totalling attendance. One participating organisation recorded podcast involvement data, such as listeners' age, place, and listening duration, as markers of relevance.

But on the other hand, **we also identified the use of storytelling, visual media and the gathering of written or verbal reflection informal feedback to track social value contributions**. Memorable experiences, community pride, and purpose were also frequently mentioned as indicators of social value and change. Here storytelling appeared to be the prevailing form of feedback, serving both as motivational indicator and de facto measure.

However, despite such diversity of measurements and experimentation with new tools, **participants expressed frustration at the difficulty of recording so-called 'intangible' outcomes**, be it increased confidence, enhanced trust and reduced isolation, or improved mental health improvement and belonging. Some participants spoke of "shifting narratives and perceptions as evidence of social value, underlining how disrupting the usual patterns" in their communities, rather than any measurable output, functioned as an indicator of social value. At other times, participants drew attention to the value of individual but not easily quantifiable changes to life experiences. One participant thus described how a refugee, initially withdrawn and isolated, became active, enrolled in college, and integrated socially through participation in community projects – a significant outcome for the individual, but an outcome harder to quantify

at the level of the community. Such one-to-one conversations remained nonetheless a significant means for VCSE organisations to track and evidence change.

But, while VSCE interest in capturing these intangible effects was high, **we found that the absence of easy-to-use tools remains a barrier**. Measures like community cohesion, cultural pride, or emotional wellbeing were repeatedly cited as both crucial and under-recognised, in part because of the difficulties of converting into available metrics. One workshop participant declared that their organisation was 'capturing the qualitative but wants to move towards the quantitative'. Indeed, the challenge, it was agreed, was how to translate and code qualitative statements into 'useful' quantitative data.

This said, **no participating organisation had formal mechanisms in place to quantify such outcomes**. But, as we suggest above, they commonly expressed an interest or openness to future tools, notably calling for the development of more intuitive and time-efficient tools, which are able to be adapted to the realities of small community teams.

Measures like **community cohesion, cultural pride, or emotional wellbeing were cited as both crucial and under-recognised**. These so-called "soft outcomes" are not easily converted into metrics.

Mismatch 2- Between Proxies and Capabilities

This expressed concern of VCSE organisations over how to measure the full range of their contribution to social value dovetailed with a **lack of awareness of existing social value platforms and toolkits**. The majority of research participants had no experience with formal measurement platforms or social value toolkits. Equally, awareness of financial proxies was limited, with a minority of organisations able to provide evidence or examples of the use of financial proxies such as the NHS Social Value Themes Outcomes Measures (TOMs) approach; rental cost savings; or the Arts Council England's calculation of the value of volunteering (see Arts Council England's volunteering return rate - below). When pressed, most research participants were unfamiliar with how to apply proxies or admitted to lacking confidence in how to do so.

Interestingly, **even when organisations demonstrated a certain familiarity with SROI proxies, these were rarely integrated into decision-making and translated into practice**. In fact, we found only a few general examples of SROI usage. One organisation thus calculated rental cost equivalents to estimate the social value from housing support, while another benchmarked its contribution to social value by using the Arts Council England's volunteering return rate (for every £1 in = £5 return). Indeed, one interviewee, pointed out that even though they were familiar with advanced metric tools, they basically relied on the client information records.

As such, most respondents acknowledged a **disconnect between knowing that proxies exist and having the knowledge or capacity to implement them accurately and with integrity**. Significantly, as we suggest above, the activities and outcomes central to the mission of the VCSE sector, such as wellbeing, empowerment, or the reduction of stress and anxiety, were seen as difficult to monetise. Proxies to account for such outcomes were once again pushed to the foreground of the demands of VCSE organisation. The appetite exists, but the tools remain out of reach for many.

In fact, we found **multiple barriers to the systematic tracking of social value outcomes**. Research participants collectively criticised existing tools as being overly complex and unaffordable for many smaller VCSE organisations. Affordability was defined not simply in financial terms but also in terms of time and staffing limits which were critical barriers preventing engagement in the social value agenda. One respondent thus described SROI tools as suited only for larger organisations with dedicated staff and financial flexibility.

But equally, the majority of **participants struggled with data collection** due to literacy and consent constraints. Workshop participants reiterated concerns over the ethical use of data, particularly information collected from one-to-one conversations and life stories and everyday experiences. Many interviewees highlighted such practical issues as service users being unwilling or unable to complete forms or having broad concerns about data misuse. In some cases, service users' vulnerability (for example survivors of trauma or asylum seekers) made data extraction ethically sensitive. But equally we found that many VCSEs are not sufficiently aware of the wide range of methods available to them to collect data in such contexts.

And, unfortunately, for the majority, the **inability to gather strong data or evidence was seen as a barrier to accessing larger funding—creating a Catch-22 for many VCSE organisations**. Without robust data, smaller organisations struggle to access larger grants, but without increased funding, they cannot afford to develop robust data systems—a cyclical limitation frequently echoed by our research participants. Yet, as one interviewee noted, although funders often request impact information, they do not always require more than basic demographic data, further disincentivising investment in measurement tools. Confirming such criticisms of funders, one workshop breakout group argued that funders do not always know what they want measured or how, reporting that 'funders do not necessarily have their own conception of social value; they just want it recorded every quarter.'

Mismatch 3: Between Support and Needs

As we set out above, our findings suggest a **clear aspiration among VCSE organisations to improve impact measurement**, especially if approaches are affordable and user-friendly. In other words, most organisations are eager to tell their story—both in words and in data—but lack the tools, time, and funding to do so comprehensively. There is a pressing need for simplified, context-sensitive, and collaborative approaches to social value measurement. As one workshop breakout group emphasised, 'data can appear to be out of date too quickly while the demands of funders are far from light-touch.'

Several interviewees voiced **interest in a national framework or platform that could support shared social value metrics**. One suggested that an app could streamline feedback collection and proxy calculations, helping to transform anecdotal insights into reportable outcomes. The desire to "do more" was evident—both in refining storytelling and incorporating data-backed claims—but most organisations acknowledged that they need practical support and partnership to do so. Once again, the potential for development was acknowledged, but in the absence of such supporting infrastructure for VCSEs, there was a reticence to use prescribed methods. Significantly, this reticence could not be divorced from one caveat to the use of social value measures which was persistently expressed by participants and case study organisations: the concern that reporting cannot 'get in the way of the trust being developed with those with whom we work.'

Views on collaboration with higher education institutions were mixed but generally positive. There was clear appreciation for the role universities could play in providing research expertise, evaluation frameworks, and student engagement. Partnerships with universities were welcomed. Yet, concerns were raised about accessibility and communication styles, with participants expressing frustration at 'academic language' that does not translate well in practice or feels alienating. Others suggested that universities might not fully understand community contexts, or the resource limitations faced by VCSEs. To bridge this gap, organisations recommended more site visits, participatory workshops, and co-designed tools rather than top-down consultations.

Importantly, it was widely seen that the **success of collaboration depends on mutual understanding and respect**. Community organisations are keen to work with universities, but not to be "researched on" without reciprocation. Such commitments suggest that there is still a way to go on strengthening the relationships and partnerships between universities and the VCSE sector, with much of the answer lying in better dialogue. Measurement should be seen as a shared process, not a burden placed on already overstretched community actors. Here workshop participants again advocated for the co-production of social value measures, working collaboratively 'to develop shared theories of change from which social value and social impact emerge.' As such, it was suggested that universities should facilitate the development of local communities of practice to advance the social value agenda with the VCSE sector, sharing pathways to toolkits and information and notably driving forward collaborative learning.

KEY MESSAGES AND NEXT STEPS

It is nearly 20 years since the launch of the SROI model of measuring impact, yet many VCSE organisations are still struggling to adopt ways of measuring and valuing the impact they create. Our interviewees expressed familiar concerns about resourcing impact measurement - lacking expertise to undertake this work and the difficulty of capturing 'intangible impacts'. They also reflected the growing gap between large and small groups in their capacity to understand and adopt impact measurement processes, which potentially threatens the sustainability of valued small, local groups. Too often, the wider impact of how change is understood and measured has not been captured, with significant consequences for individual organisations and wider society, not least the failure to maintain a mixed economy of provision in which the 'unnoticed' additional outcomes of services and activities are systematically tracked and valued.

Universities, we suggest, as anchor organisations are well positioned to facilitate the further engagement of VCSE organisations in the social value agenda. As part of their civic mission, universities can better mobilise its local spend to support VCSEs, as well as making better use of teaching and research opportunities to support the development of sector, as well as the creation and measurement of social value, which could be transformative to public spending budgets and the delivery of services. However, the delivery of such transformative outcomes requires universities to rework their approach to social value, not least adopting a strategic cross-university approach which opens up two-way dialogues with VCSE organisations, while adapting procurement processes that hold universities to account for their contributions to the production of social value.

Understanding of what change looks like and what data is needed

Both **VCSE organisations and commissioners are frequently unclear about what services are needed and the most effective means of delivery**. Many VCSEs keep records of how many people they support and collect feedback from them on the quality of the service experience and how they benefitted. They frequently do not measure impact unless they are specifically funded to do so. Commissioners can often be highly prescriptive about the information that they require and the means of collecting the data. Many commissioners want to show value in terms of cost savings and economies of scale and are not concerned with wider social benefits or savings made elsewhere (for example, if a health funded project creates benefits and savings for the police). In many instances neither commissioners nor delivery organisations focus on what changed as a result of the service being delivered or what specific data should be systematically collected as evidence of change

Measuring soft outcomes

VCSE organisations often state that the most significant outcomes of their work are difficult or impossible to measure. These are mainly quality of life indicators. A number of tools now exist to help organisations measure these qualitative outcomes, such as WEMWBS, NHS QALYS and tools such as Outcomes Star, help to measure 'distance travelled' and impacts created over time. However, these can be complex to implement and require resources of time and commitment within small and over-stretched organisations. The SROI model captures the impacts for different stakeholders and the importance of measuring separately the change created for: individual service users, for those commissioning the service and for other stakeholders that might benefit from the service even if they are not contributing to the costs. It should be recognised that both identifying and valuing soft outcomes is a subjective process and this should be recognised in the reporting. There should be more clarity about which tools are best used to measure different things and both commissioners and VCSE groups need to be better informed and more critical about the choice of impact measurement approaches.

Finding and applying proxy values

The USP of the SROI model is its monetisation of social impact through the attribution of proxy values. This exercise involves placing a monetary value on non-traded goods, using a range of techniques such as contingent valuation – what value an individual might place on a service they have been given; or revealed preferences, what people reveal through their behaviours in terms of what is valued. Additionally, there are calculations of cost savings, although these might not be actual cuts in budgets – for small projects their work is more likely to result in enabling money saved to be spent elsewhere. Finding proxy values, for example of the cost of a bed in A&E for the night or of a course of CBT can be complicated and there are different ways of valuing the same activity. More consistency and the standardisation of proxy values would help make this process more transparent and accessible for all parties (although as we argue below such standardisation should not stifle bottom-up innovation)

Using Artificial Intelligence (AI)

One **response to the complexity of measuring impact is that commissioners or delivery organisations will start to use AI**, or one of the tools available that calculate impact using an algorithm to produce a monetised result – 'for every pound invested, we produce x amount of social value'. There are a number of concerns about this reductive approach. The SROI principles include transparency and if an organisation cannot explain or justify how the result was calculated, it is not possible to claim transparency. Social Value UK also emphasises the importance of the narrative report, explaining how the costs were calculated and what assumptions were made. Furthermore, if an organisation has used an AI tool or an algorithm, it will have insufficient information to review what aspects of their activities worked, what has not worked and why, enabling them to improve services and create greater impact in future. However, it is likely that AI will create smarter ways of managing and analysing data and this could result in more small organisations making the commitment to measure their impact. Nevertheless, care should be taken to recognise and account for the inherent subjectivity in AI tools and the ethical challenges of their use.

Future Directions

Our evidence recognises the demand among VCSEs for new or simplified proxies, having identified the gaps in existing provision. However, as our research has unfolded, we have become ever more convinced of the need for proxies to be grounded in the everyday activities and contributions of individual organisations. **Proxies, we argue, need to be integrated within a**

specific theory of change and set of organisational values, and cannot simply be plucked off the shelf by an organisation. Moving forward, we therefore suggest that future debates should seek to open up a dialogue over on the necessarily plural and bottom-up indicators of social value *in use*, seeing proxies as a more of a 'D-I-Y' manual from which organisations can pick and choose to pilot and design their own intuitive and low-resource proxies tailored to the different contexts of their organisation. This is a conversation that we would welcome being part of and we hope that this research is a start towards it.

Checkpoints and recommendations

For universities working with VCSEs

- Adopt **co-production** relationships with VCSEs, based on mutual respect and reciprocity.
- Provide VCSEs with **proxy measures and training** (on both calculating value and data collection) to help demonstrate the social value they are generating.
- When commissioning services from VCSEs, be **clear** about what **change** the commissioned service will achieve.
- **Break down larger contracts** into more manageable contracts for smaller organisations.
- Discuss with VCSE delivery partners what **evidence they already collect** and the best method of measuring the impact of the contract.
- **Avoid taken-for-granted academic terminology and jargon** when communicating with VCSEs.

For universities as anchor organisations

- Ensure senior staff, including pro- and vice-chancellors, have **responsibility** for the delivery of social value.
- Review university **procurement processes** to include a consistent social value weighting.
- Put in place university-wide processes to **track engagement** of VCSEs in teaching and learning, and in research activities
- Understand the longer-term impacts of **commissioning** decisions on the local economy and the importance of maintaining a healthy mixed economy of suppliers.
- Consider where benefits may be created for other commissioning bodies and negotiate how **benefits for the wider community can be achieved and paid for**.

For VCSEs engaging in the production of social value

- Start with a **theory of change** setting out programme goals and steps to achieve them.
- Collect **robust and consistent data,** tracking all activities down to numbers accessing services and support sessions provided.
- Understand what **changes for beneficiaries** and collect data measuring these outcomes – it is important to **engage beneficiaries** in identifying and capturing what change looks like.

- Use **multiple forms of evidence** but ensure necessary ethical guidelines are in place when engaging vulnerable people and when generating and storing personal and sensitive information.
- Select a **measurable outcome** using an existing method and consider the different ways that beneficiaries' evidence of change can be translated into selected measurements.
- **Do not reinvent the wheel**: use existing proxy values to place a monetary value on the change that each beneficiary has experienced.
- Communicate **additional contributions**: recognise how, and to what extent, services add value to what is required in a grant or contract, collect evidence of this and inform the commissioner.

Appendix 1: Lists of different resources and approaches

ARVAC community research toolkit – an online guide to research techniques that can be used to measure impact https://arvac.org.uk/resources/

Charities Evaluation Services – now part of NCVO but previously published useful guides https://www.scribd.com/lists/17786361/NCVO-Charities-Evaluation-Services

NCVO - Help and guidance resources on evaluation and impact https://www.ncvo.org.uk/help-and-guidance/strategy-and-impact/impact-evaluation/

Office for National Statistics – official government site for all official data and statistics https://www.ons.gov.uk/

Tools and Resources for Assessing Social Impact (TRASI) – US site listing 150 different approaches to measuring impact. https://philanthropynewsdigest.org/features/on-the-web/tools-and-resources-for-assessing-social-impact-trasi#:~:text=Mission%3A,the%20impact%20of%20social%20investments.

Value for Money Framework – Guidance from UK Government Department for Transport for assessing value for money. https://assets.publishing.service.gov.uk/media/682ccabf1be3f53ed5f4534e/value-for-money-framework.pdf

Value for Money Toolkit – Toolkit, guidance and case study on assessing value for money in the public sector, developed by the Chartered Institute for Public Finance and Accountancy and Government Outcomes Lab. https://www.cipfa.org/services/go-lab-cipfa-value-for-money-toolkit

Appendix 2: Specific impact measurement tools and approaches

National Lottery Commissioning Better Outcomes and the Social Outcomes Fund – Evaluation Guidance – how Social Impact Bonds and other 'payment by results' methods work https://www.tnlcommunityfund.org.uk/media/documents/full-cost-recovery/Commissioning-Better-Outcomes/CBO_evaluation_guidance.pdf?mtime=20181214114440&focal=none

Outcomes Star – created by Triangle Consulting – a licenced tool for measuring 'distance travelled' by beneficiaries (prices start at £250 – practitioners must be trained to use the tool) https://www.outcomesstar.org.uk/about-the-star/what-is-the-outcomes-star/

Social Audit Network – Guide to Social Impact Assessment (£40 hard copy | £30 pdf) https://www.socialauditnetwork.org.uk/san-resources/newguidetosocialimpact

Social Impact Measurement Toolbox – from Social Enterprise East of England tool to help get ready for measuring impact (£180) https://seee.co.uk/what-we-do/social-impact-toolbox/

Social Value Portal – central government system for placing a value on impacts – based on TOMs approach (Themes Outcomes Measures) https://www.socialvalueportal.com/measurement

Social Value UK – Resources Library: Outcome Frameworks and Standalone Measures Database. Includes the Guide to Social Return on Investment and the spreadsheet for calculating the impact map. https://socialvalueuk.org/resources/29023/

Warwick-Edinburgh Mental Well-Being Scale (WEMWBS) tool developed to score mental health and well-being https://warwick.ac.uk/fac/sci/med/research/platform/wemwbs/

WEMWBS indicator questions
https://www2.uwe.ac.uk/services/Marketing/students/pdf/Wellbeing-resources/well-being-scale-wemwbs.pdf

Sources for putting a monetary value on your outcomes and outputs

Government Outcomes Lab Unit Costs Database https://golab.bsg.ox.ac.uk/toolkit/wayfinder-assessment-resources/INDIGO-ARES-0124/

Greater Manchester Combined Authority – use the link below and then click on the Unit Cost Database – the link will bring up a spreadsheet containing lots of values.
https://www.greatermanchester-ca.gov.uk/what-we-do/research/research-cost-benefit-analysis/

HACT – a value calculator for all things housing related – now part of a subscription service costing small charities £4,300 per year. The data is free to housing associations, as members of HACT. https://hact.org.uk/tools-and-services/uk-social-value-bank/

National Institute for Health and Care Excellence (NICE) guidelines for NHS costs
https://www.nice.org.uk/guidance/published?sp=on

Personal Social Services Research Unit (PSSRU) Unit Costs of Health and Social Care programme. Download the manual for the full range of costs.
https://www.pssru.ac.uk/unitcostsreport/

Quality Adjusted Life Year (QALY) – quality of life indicators for health
https://www.nice.org.uk/guidance/published?sp=on

Appendix 3: Academic literature on innovation and research multipliers

Cebr, (2017). 'Contribution of the arts and culture industry to the UK economy, 20-22.
https://www.artscouncil.org.uk/developing-creativity-and-culture/art-culture-and-economy/economic-contribution-arts-and-culture

Department for Business, Innovation and Skills (2014b). 'Insights from International Benchmarking of the UK Science and Innovation System'.
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Elnasri, A., & Fox, K. J. (2017). 'The contribution of research and innovation to productivity.' Journal of productivity analysis, 47, 291-308. https://www.researchgate.net/profile/Kevin-JFox/publication/316568973_The_contribution_of_research_and_innovation_to_productivity/links/5a78246945851541ce5aa7d3/The-contribution-of-research-and-innovation-toproductivity.pdf

Haskel, J., & Wallis, G. (2010). 'Public support for innovation, intangible investment and productivity growth in the UK market sector'. https://docs.iza.org/dp4772.pdf

Haskel, J., Hughes, A., and Bascavusoglu-Moreau, E. (2014a). 'The economic significance of the UK science base: a report for the Campaign for Science and Engineering'. https://spiral.imperial.ac.uk/bitstream/10044/1/13751/2/Haskel%202014-04.pdf

Jones, B., & Summers, L. (2020). 'A Calculation of the Social Returns to Innovation'. https://www.nber.org/system/files/working_papers/w27863/w27863.pdf

Van Elk, R., ter Weel, B., van der Wiel, K., & Wouterse, B. (2019). 'Estimating the Returns to Public R&D Investments: Evidence from Production Function Models'. https://link.springer.com/article/10.1007/s10645-019-09331-3