

# Calculating Your Value

Since the Public Services (Social Value) Act in 2012, measuring and reporting social value has become increasingly important.

In September 2020, the UK Government launched a Public Procurement Notice (PPN 06/20) aimed at incorporating social value considerations into UK Government contracts. The Notice was designed to highlight the social benefits that can be achieved through public procurement and create a standardised and complete approach to assessing and incorporating social value in public procurement.

Loop has developed a platform for measuring and monitoring social, economic, and environmental impact which can be monetised to understand the value this creates across an investment portfolio. Data can also be aggregated to understand impact at a local, sub-regional and regions level to include impact across all phases of development from construction, operations and end user experiences.

Loop calculates social, economic, and environmental impact and value using two key analysis frameworks: Social Return on Investment (SROI) and Economic Impact. Total impact is calculated by combining both the SROI and the Economic Impact value.

We are partners with Social Value UK and Social Value International. Organisations similar to ourselves, whose purpose is to support others in improving their social value measurement and management; whose values and mission support our own.

## The SROI value comprises:

<p><b>Fiscal Savings</b></p> <p>Savings to UK Government and taxpayers associated with reduced cost for welfare benefits, health services, education, emergency services, housing, and social care.</p> 	<p><b>Economic Benefits</b></p> <p>Benefits to HMRC associated with Tax, National Insurance and Earnings due to reduced worklessness and sickness days.</p> 	<p><b>Wellbeing Improvements</b></p> <p>Improvement associated with employment and skills development, qualifications, education support, school and community engagement, and improvements to physical and mental health.</p> 	<p><b>Environmental benefits</b></p> <p>Benefits with reducing, recycling and diverting waste, reducing CO2 emissions, as well as ecological protection.</p> 
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## The Economic Impact comprises:

<p><b>Local Multiplier 3 (LM3)</b></p> <p>Accounts for how a project impacts upon local economies through spend on supply chain and employment.</p> 	<p><b>Gross Value Added (GVA)</b></p> <p>Measures how employment contributes to economic productivity and uplift of an area including the indirect and induced effects of direct employment.</p> 
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HM Treasury, Cabinet Office and Office for National Statistics have approved each of the analysis types.



A series of 'Impact Metrics' are applied to our calculations to ensure that the overall impact value is not over-claimed. These are in line with HM Treasury Greenbook Guidance and include:



### Deadweight

Accounts for what would've happened anyway. In line with HM Treasury Greenbook Guidance.



### Attribution

Accounts for other contributing factors/organisations. In line with Social Value UK Guidance.



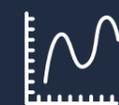
### Displacement

Accounts for other savings/outcomes that no longer occur as a result of this activity. In line with HM Treasury Greenbook Guidance.



### Duration

How long the outcomes last.



### Dropoff

In future years, the amount of outcome is likely to be less or, if the same, will be more likely to be influenced by other factors. Dropoff accounts for this in line with HM Treasury Greenbook Guidance.



### Discounting

How much are future costs and benefits of your activities worth today?

If you would like more information about social value, Loop software, services and methodology, or would like to arrange a demonstration, please get in touch. Our team are here to help.

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