



Better Services, Stronger Economy

A Keep it Local
guide for community
organisations



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Foundation

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Locality believes that we can harness the power of community to create a strong local economy and a fair society through commissioning public services locally.



This is one of three guides for community organisations, councillors and commissioners with practical advice on how to keep services with local providers. It applies the successful approach described in 'Powerful Communities, Strong Economies', the final report of Locality's 'Keep it Local for Economic Resilience' action research project, supported by Friends Provident Foundation.

Local authorities are under huge pressure from rising demand for services and shrinking budgets. Many councils are seeking savings through outsourcing services at scale: bundling up services into big contracts that go to large providers at the lowest price possible.

Locality's Keep it Local campaign argues that this is the wrong approach. It pushes experienced local providers out of the picture, meaning we end up with the wrong kind of services. It also means public money leaks out the local area and leaves before it can be of broader benefit to the community.

At Locality, we believe there is a better way: to Keep it Local. By commissioning local community organisations to provide local services, councils can simultaneously create better, more responsive services and build a fairer, more resilient local economy.

We have been working in six places – Bradford, Bristol, Calderdale, Dorset, Hackney and Shropshire – to find out how we can make this happen in practice. It is clear from our research that councils have a growing interest in maximising the value of their shrinking resources through local commissioning – but that even an ‘in principle’ commitment will not automatically translate into Keep it Local practice.

This guide for Locality members is intended to address one of the key barriers our research has identified. There is often scepticism among local authorities about the capacity of local organisations to take on commissioning opportunities and lack of clarity about the additional social value local organisations bring.

So we need to show that community organisations are ready to step up. This means making a compelling case for the local economic impact community organisations bring and the extra bang for buck they provide, and evidencing it more effectively. This guide is to help Locality members do exactly that.

Locality has developed a Keep it Local: Economic Resilience Framework.¹ The framework is intended to build a shared commitment between the council and community to place-based commissioning that develops local economic resilience and maximises the local benefit of public sector procurement spend. The framework can be used by local authorities to assess to what extent current practice is promoting economic resilience and support them to commission locally and small-scale.

It can also be used by community organisations as a framework for thinking about their own economic impact and how to evidence it most effectively.

This guide shows how you can do this in practice, with:

1. A 10 step approach to measuring and improving your local economic impact

2. A toolkit produced by NEF Consulting², which identifies the most effective and practical specific measures you can use to evidence your impact, using the Keep it Local: Economic Resilience Framework

¹ See Powerful Communities, Strong Economies: Keep it Local for Economic Resilience', available at <http://locality.org.uk/resources/powerful-communities-strong-economies-report/>

² NEF Consulting is the consultancy arm of the leading UK think tank, New Economics Foundation. They help to put new economic ideas into practice. www.nefconsulting.com

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Measuring the impact of community organisations on local economic resilience

Why?

- We strongly believe that community organisations make a big difference to the economic health of local areas – so we want to make it visible
- We want you to be able to demonstrate your impact on the economic resilience of your area, as a way of demonstrating your social value in public sector commissioning processes
- We want to help you make the business case for why community organisations need and deserve investment
- We want to help you improve your local economic impact – but you can't do that unless you can describe it and measure it
- We want to show the collective impact of our sector and how it helps to ensure resilient and thriving neighbourhoods

What is economic resilience?

Economic resilience is 'the capacity of an economic system to adapt to both short-term shocks and long-term change, while supporting the community to thrive'.²

The concept of economic resilience grew in prominence in the wake of the financial crisis of 2007-08 and the recession that followed. This had revealed in stark terms the weakness of economies that are overly reliant on a few sectors, and where the proceeds of growth accrue narrowly. Its relevance has

not diminished in the intervening years. The UK is again engaged in a major debate about how to rebalance the economy, this time focused on the need for 'inclusive growth' in the aftermath of the EU referendum and the recognition that globalisation has not benefited all communities equally.

Our work is based on a number of frameworks that have been developed which seek to define local economic resilience.³ There are two reasons why we believe it is a particularly important concept for local areas to consider at the present time.

The first is that a resilient local economy is one that has social justice at its heart. Resilience for us does not mean the simple ability to 'bounce back' and return to a pre-existing state, where the local economy may – for example – have been characterised by poverty, inequality or environmental degradation. Instead, resilience requires the ability to respond positively to change. It is an ambitious concept that makes tackling disadvantage and supporting environmental sustainability central to economic success.

The second is that it means we have to think about the economy on a more human scale. For over 30 years, our political economy has focused primarily on the global and how we can attract inward investment by lowering barriers to competition. However, after the EU referendum and the election of Donald Trump, many have come to recognise that there are downsides to only ever looking outwards; in particular, that globalisation has not necessarily been of similar benefit to every place.

By focusing on economic resilience, we have the opportunity to ensure that economic growth is truly and meaningfully 'inclusive': underpinned by local priorities and focused on neighbourhood renewal, tackling poverty, environmental sustainability, and community empowerment.

² Locality definition adapted from Greenham, T, Cox, E and Ryan-Collins, J (2013) 'Mapping Economic Resilience', NEF/Friends Provident Foundation. Available at: <http://www.friendsprovidentfoundation.org/wpcontent/uploads/2013/12/nef-Mapping-Economic-Resilience-1-report.pdf>

³ Greenham, T, Cox, E and Ryan-Collins, J (2013) 'Mapping Economic Resilience', NEF/Friends Provident Foundation; McInroy, N, Longlands, S (2010) 'Productive local economies: creating resilient places', CLES; Cox, E, Broadbridge, A, Raikes, L (2014) 'Building Economic Resilience: An analysis of Local Enterprise Partnership's Plans', IPPR North

How do community organisations promote local economic resilience?

First, by acting as ‘anchors’: they are firmly rooted in a sense of place and there for the long term, providing a central source of stability as the world changes around them and managing assets for community benefit, not short term profit.

Second, they ensure that the wealth they generate is re-distributed in their neighbourhoods, by employing local people in good jobs, using local supply chains, using profit to subsidise services and investing in people to themselves become economically active.



A study of 10 Locality members for the Keep it Local for Economic Resilience project found they collectively enabled approximately 1,400 jobs and approximately £120m of gross value added to the local economy. We also calculated that every £1 of income generated by one of our members in Bradford creates £2.52 for the local economy.

Third, they help to create the conditions and foster the broad characteristics of a resilient place – connected, confident people & businesses, locally-owned assets and shared resources, a good environment with efficient use of resources, and the skills & knowledge needed to make shared decisions for the benefit of the area and its residents.

What do we mean by measuring?

“What is an impact measurement framework?

The activities an organisation carries out can have long-term effects on beneficiaries, beneficiaries’ families and the broader community. Social impact measurement seeks to identify and quantify this impact. An impact measurement framework provides the structure for assessing all aspects of an organisation’s impact. Within that framework, more than one tool or method can be used to collect information. The information needed to inform social impact measurement may include data from your monitoring and evaluation systems, quality systems, impact tools and toolkits and outcome-focused tools.”⁴

There are many, many different approaches to impact measurement. In recent years a plethora of tools and guides have been developed for social sector organisations to measure impact. Some of these are highly quantitative, including those that try to put a financial measure on the value of an organisation or a specific service, such as cost-benefit analysis (CBA) or social return on investment (SROI).

Others are far more qualitative, focussing on case studies, storytelling and user surveys.

Research undertaken for Locality by the Institute for Voluntary Action Research (IVAR) looked specifically at how to best measure the impact of multi-purpose community anchor organisations and in particular, how to demonstrate that the sum is greater than the individual parts.⁵

IVAR’s findings are important for this guide. They concluded that:



We need a variety of approaches: context matters. The search for the best approach to impact assessment is unhelpful: there is no single approach that will be appropriate, meaningful or proportionate in every case.

⁴ Rinaldo, H (2010) ‘The Guild – Getting Started in Social Impact Measurement’. Available at: https://www.socialauditnetwork.org.uk/files/8113/4996/6882/Getting_started_in_social_impact_measurement_-_270212.pdf

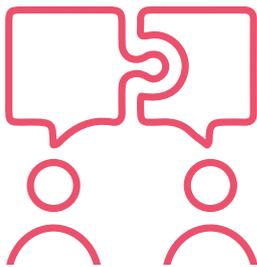
⁵ IVAR (2011) ‘Assessing the impact of multi-purpose community organisations’. Available at: <https://www.ivar.org.uk/wp-content/uploads/2016/07/Assessing-the-impact-of-multipurpose-community-organisations-2011.pdf>



We need to reconcile bespoke and off-the-shelf approaches. It is helpful for organisations to spend time thinking about the purpose of impact assessment. All too often, a preoccupation with selecting an impact assessment tool can lead an organisation to undertake complex work that matches neither their needs nor their circumstances.



Collaboration should be at the heart of the impact assessment process. Approaches to impact assessment need to be: rooted in the way an organisation already works; managed and ideally co-designed by the organisation; and calibrated to the scale and capacity of the organisation.



Organisations should be free to tell a 'contribution' not an 'attribution' story. For organisations that are highly collaborative, it might be more appropriate to look at the part that they play in wider social, economic or environmental change in a community, rather than focusing on their individual organisation's impact.

This suggests that it would not be helpful to dictate a specific tool or set of measures to community organisations which are aiming to measure their contribution to local economic resilience. What we are doing is suggesting a process with a menu of options and measurement tools – and a core set of indicators which we want to encourage our members and the wider sector to measure. However, we recognise that indicators and measures need to be relevant to local circumstance, the organisation and in some cases to the outcomes which the local public sector are looking to achieve and which may be reflected in social value strategies and commissioning processes.

In the full final report of our Keep it Local for Economic Resilience action research report, we provide a wide bank of measures to choose from.

For this practical guide, NEF Consulting have produced an accompanying toolkit on the key measures, using the Keep it Local: Economic Resilience Framework. Some measures are qualitative, some quantitative – and some both.

“All impact assessments involve collecting information. This is done mainly through asking questions of various types, but also through observation. The process of collecting information, however, involves much more than listing a few questions and then asking them in the field or conducting a few focus groups. Whatever methods are used in the investigation, a number of different steps are involved. All these steps are important for the reliability, relevance and cost effectiveness of the investigation. These steps apply to both the assessment as a whole and also to each individual part of the investigation.”⁶

⁶ Mayoux, L (2012) 'How do we find out?', WISE Development. Available at: https://www.researchgate.net/publication/237737489_HOW_DO_WE_FIND_OUT_T_ISSUES_IN_COLLECTING_INFORMATION

A 10 step impact measurement process



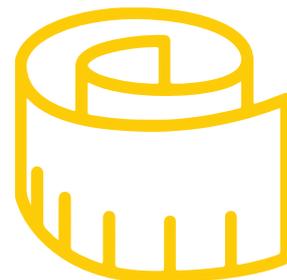
Step 1: Develop an Economic Theory of Change using the Keep it Local: Economic Resilience Framework.

This should set out the change which you are trying to make; the interventions or activities you do which help make that change; and the way that change would be demonstrated – the impact. This is a good starting point for deciding what to measure – although don't forget that you may also have some unintended impacts – especially in terms of economics – which you also want to show. One important decision at this stage is to define your area of benefit – the area in which you intend to have an impact on the local economy. This will guide how you measure your impact and the story you will tell.



Step 2: See what information already exists in the organisation or locally with stakeholders.

What do you already collect that you can use, for example tracking of outcomes for your service users, financial data, data from your tenants?



Step 3: Decide what impacts you want to measure and what measures – or indicators – will help you track or assess your impact.

Some indicators change and can be measured consistently over time to give a picture of whether things are getting better or worse. Some indicators are more of a snapshot of a particular point in time. Be clear about which you are doing.



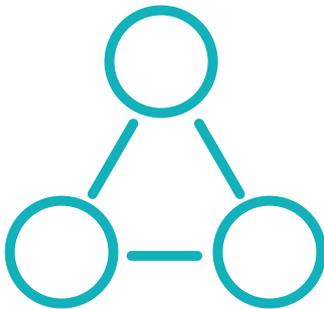
Step 4: Decide how to collect the data.

This is the information which will provide you with evidence of your impact. Data can be numerical, verbal, or visual. Data collection can be done in a number of ways, including surveys, analysis of financial information, analysis of existing survey information, focus groups, case studies, photo/video projects.



Step 5: Record the information.

This may include training staff or volunteers to record information and this needs to be done consistently and without bias. Financial analysis may need specialist help. It may be that you can do a one-off piece of work, like a user survey, or it may be that you need to collect data over a period of time. You may be able to 'sample' - collect data over a week and then extrapolate to what you could expect to achieve in a year.



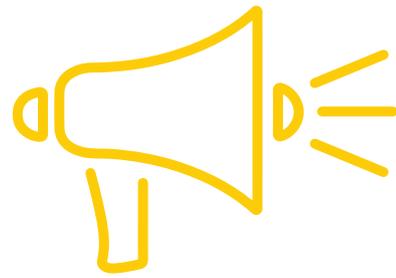
Step 6: Check your data for reliability.

Try to 'triangulate' the data - ie look for corroborative data which backs up your findings. Appoint an internal 'challenger' to test the robustness of the data and your findings.



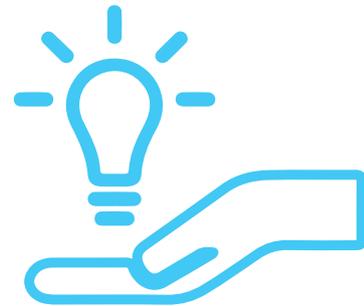
Step 7: Analyse and assess your impact.

Again, make sure you challenge yourselves. It's easy to look for the result you are hoping for and overlook the data which is telling you something different. Don't over-claim. It's ok to talk about 'making a contribution' towards an outcome, rather than always having to demonstrate that you made all of the difference to an area or community, which is unlikely. Compare your impacts with other similar organisations. Look at how you have used your resources to make a difference. Has it been an effective use of your resources?



Step 8: Report on your impact to your stakeholders.

Shout about the difference you are making! How can you use what you have learned to influence social value frameworks, commissioners, and local organisations and strategies?



Step 9: Look back at your Theory of Change.

Where are your gaps in terms of making a difference? Where could you do better and what would you need to do differently? Specifically in relation to local economic resilience, how could you make more of a difference? How could you improve your impact?



Step 10: Plan for the future.

Decide on how you will monitor and track your impact over the next few years. Which impacts and indicators matter most to you? How can you make data collection easier and more systematic? When will you take the next snapshot of your impact? Which impacts do you think are most important to other stakeholders - or should be?

Keep it Local: Economic Resilience Toolkit

We believe that community organisations make a powerful contribution to promoting economic resilience – and this toolkit is designed to help you show it.

The Keep it Local: Economic Resilience Framework defines seven characteristics of a resilient local economy. These characteristics are interconnected and work together in a dynamic fashion to create a local economy that meets our definition of economic resilience: “An economic system that adapts to both short-term shocks and long-term change, while supporting the community to thrive.”.

Our toolkit – produced by NEF Consulting – provides three practical ways community organisations can measure how their activities contribute to each of these seven characteristics of a resilient local economy. Not all measures will be relevant to all organisations – nor will an organisation’s activities necessarily make a contribution to every characteristic. The aim is to provide a menu of options, so that organisations can find what works best and help you tell a better story about your local impact.

The full framework and further background information about how the activities of community organisations create economic resilience can be found in our report ‘Powerful Communities, Strong Economies’, available at locality.org.uk

NEF Consulting is the consultancy arm of the leading UK think tank, New Economics Foundation. They help to put new economic ideas into practice. www.nefconsulting.com



Characteristic 01



Positive flow of money and resources, with long-term investment into the local area, a high local economic multiplier and public and private sector spending retained locally.

What this looks like locally: Public and private sector spending is retained in the area and the leakage of money is reduced. Wealth created locally is multiplied through the use of local supply chains and local labour. Underused resources – such as derelict land and people's skills and talents – are identified and used. Materials and products are reused, recycled and shared through refurbishment, libraries and the establishment of a sharing economy.

Activities of community organisations:

- Securing investment from outside the area
- Reinvesting profit from the organisation back into the organisation and/or community
- Buying local from businesses and other social enterprises
- Supporting business start-ups to 'plug leaks' in local economy
- Facilitating inter-trading between businesses and promoting local procurement and supply chains
- Advocating on behalf of local businesses
- Delivering local public services and reducing demand on public services through local intelligence
- Creating local employment and raising skill and wage levels
- Facilitating the sharing economy through tool libraries, bike libraries, book libraries
- Promoting corporate and individual volunteering
- Redevelopment of empty land/buildings, which improves the area & attracts higher wage business
- Improving digital infrastructure which attracts higher wage businesses
- Attracting tourists

1. Measuring your impact - local spending

What?

Local multiplier 3 (LM3) is a method designed to measure the impact of local spending. It does so by measuring how money is spent and re-spent locally to three rounds of spending.

Why?

Measuring how much money is retained within the local economy is important; often the problem is not how much money is flowing into an area but how much flows out. More income retained locally means more jobs, higher pay and, as local government finances become increasingly reliant on the success of the local economy, crucial tax revenue, all of which may lead to better living standards.

How?

The LM3 process involves three rounds:

Round 1: Organisation's income or size of relevant programme contract

Round 2: How organisation's income is spent

Round 3: How local people and businesses receiving Round 2 money, spend their money

LM3 is calculated by adding up all three rounds, and dividing by Round 1 to arrive at a relative figure. The larger the number, the greater the local multiplier effect of your organisation or programme.

(Round 1 + Round 2 + Round 3) / Round 1 = Organisation's or programme's LM3

Step-by-step

1. Define what is 'local' is in your context (see Considerations for more details)
2. Select your organisation's income or relevant contract amount (Round 1)
3. Map where money has been spent by your organisation and whether it falls within your definition of 'local' (Round 2)
4. Survey those organisations, businesses and local people where money is spent to find out how they spend their income and whether it falls within your definition of 'local' (Round 3) (see Considerations for more details)
5. Input the values from steps 2, 3 and 4 into LM3 calculation.

Specific tools have been developed to facilitate the LM3 process. These generally require a licence to use, though the time saved is likely to justify the licence fee. For example, LM3 Online simplifies the process described above and automatically makes the LM3 calculations (see 'References and Guidance').

Considerations

Defining the local

An important part of the LM3 process involves defining what is meant by the local economy. There is no single definition on what constitutes 'local'. For example, what is local to a person with a car might not be considered local to someone who has to rely on public transport; or what is local to a business that does door-to-door delivery is different from an internet-based business or service. Ultimately, the exact nature of local will depend on your organisation's context. Community organisations are often neighbourhood-based, and so you will want to demonstrate your hyper-local impact. But you need to bear in mind that achieving a high LM3 score becomes more difficult as the scale gets smaller. So you will need to find the right balance between locality and what will produce a useful result. You may wish to define local on the basis of political administrative boundaries – as this might have particular impact on local commissioners – choose a distance radius from the site of your organisation, or define local as the 500 nearest businesses/organisations to your organisation (known as a 'business-shed' or 'biz-shed' after the concept of a watershed area). You may decide to undergo the LM3 process at different geographical levels (eg city-wide and regional).

Survey design

As previously mentioned, commercially available services such as LM3 Online, can remove the need for designing and conducting your own survey. If you do wish to develop your own survey of local businesses/organisations and people, as part of Round 3, you will need to ensure that it effectively captures the information you want to obtain from them. Respondents may have difficulty knowing the exact breakdown of how they spend their money, so it is helpful to offer a structured table for them to fill in. This table will have common items organisations/businesses spend locally in its rows (eg staff costs, contractors and subcontractors, suppliers of goods and services, and rent or mortgage) or if the survey is for local people, common items which they spend locally on (eg food, rent or mortgage, clothing and entertainment). Down the columns, respondents are asked to split their expenditure by local or non-local (with instruction given on what constitutes local) and the name of the business/person where they spend this money. An example template for LM3 survey design can be found in the New Economic Foundation's report 'The Money Trail: Measuring your impact on the local economy using LM3' (See References and Guidance).

References and Guidance

- A detailed account of the principles underpinning LM3 methodology and a how-to guide to undertake LM3 from start to finish is found in the New Economic Foundation's report 'The Money Trail: Measuring your impact on the local economy using LM3'. URL: http://b.3cdn.net/nefoundation/7c0985cd522f66fb75_o0m6boezu.pdf
- LM3 Online. URL: www.lm3online.com

2. Measuring your impact - cost-benefit analysis (CBA)

What?

The cost-benefit analysis (CBA) method is a systematic approach to calculating the benefits and costs associated with a particular programme or policy decision. It produces a cost-benefit ratio that measures how much the benefits of a programme/policy outweigh its costs (or vice versa) and in doing so provides a means to compare the costs and benefits across alternatives.

Why?

Undertaking a cost-benefit analysis is a way of clearly presenting the benefits arising from a policy or programme. The process presents to funders that despite the initial outlay, they actually contribute to cost savings in the long term. CBA is one of the more rigorous and widely accepted methods of measuring economic value for money but, as such, it involves specialist skills and may require an investment of time and resources, including potentially, external support. For example, a programme could boost local employment and as such lead to a reduction of people claiming benefits from the state. These savings might not seem apparent, so the information provided in a CBA is important to provide this evidence. This is especially the case when bidding for tenders from local authorities or public bodies who are keen to see how a programme or project offers value for money.

How?

While there are several variants of the CBA approach, there are some general characteristics that remain consistent. Boardman et al. (2018) outline the core steps involved in undertaking CBA, with some of the more technical terms explained below:

- Decide whose benefits and costs count
- Identify the impact categories, catalogue them,

- and select measurement indicators
- Predict the impacts quantitatively over the life of the project
- Monetise all impacts, using proxies, where applicable
- Discount benefits and costs to obtain net present values
- Compute the net present value of each alternative
- Perform sensitivity analysis
- Make a recommendation

See References and Guidance for detailed CBA methodology guides

Technical terms explained

Discounting: when calculating future costs and benefits in a CBA model, they need to be 'discounted' to reflect net present values and prices. The HM Treasury's Green Book suggests a standard discount rate of 3.5%

Net Present Value: this value is simply the difference between total net benefits and the total net costs of your programme or policy in terms of today's money.

Sensitivity Analysis: this involves changing parameters in the CBA model to account for uncertainty and risk.

Proxies: a proxy is a monetised value that can be substituted for another measure that is less easy to express in monetary terms. For example, the price paid for gym membership may be considered as a proxy for the value of maintaining good physical health.

Considerations

Monetising outcomes

When developing a CBA model, it can prove challenging to find financial values to assign to certain outcomes. For example, if you want to incorporate improvements in emotional wellbeing into your CBA. There are databases containing values and proxies you can use to help cost these outcomes. Examples include The New Economy Cost Benefit Analysis model and HACT Social Value Bank.

References and Guidance

- Boardman, A E., Greenberg, D H., Vining, A R. and Weimer, D L. 2018. Cost-benefit Analysis: Concepts and Practice, Fourth Edition. Cambridge, UK: Cambridge University Press. HACT Social Value Bank: URL: <http://www.hact.org.uk/social-value-bank>
- New Economy - Cost Benefit Analysis Guidance and Model. URL: <http://www.neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/cost-benefit-analysis/cost-benefit-analysis-guidance-and-model>

3. Measuring your impact - local employment

Why?

Methods to measure the project/programme's impact on local employment.

How?

Levels of local employment are good signifiers of local economic resilience. As such, there is importance in measuring how your organisation contributes towards increasing local employment.

What?

In simplest terms, you can count the amount of employment generated from your organisation's activities. Conventionally measured in full-time equivalents (FTEs), this is the local employment directly attributed to your organisation. For example, the FTEs supported by a particular contract or programme. For community anchor organisations, 'enabled' employment from tenant organisations is another example of local employment impact. Surveying tenant organisations for employment numbers is a simple means to obtain this number. If this is not available, there are other means to estimate employment numbers. One example is to use information on tenant organisation size (eg floor space) and industry type to estimate expected employment numbers. This is done through the use of HCA codes (see References and Guidance).

Considerations

Determining local employment

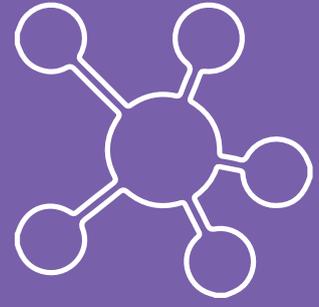
An important consideration when measuring employment impact is determining the extent to which employment generated is local. For example, while an organisation might generate increased employment, employees might not actually reside in the local area and may commute in from somewhere else. As such, it is important to determine how many FTEs supported are local residents - and as community organisations tend to employ local people, there is a particular opportunity here to demonstrate your contribution to the local area. This is simple when internally reviewing your organisation's employment, but requires extra information when surveying externally. Furthermore, you will need to determine what constitutes local in this context. There is no single definition of what constitutes 'local'. As with the LM3, you may wish to define local on the basis of political administrative boundaries or choose a distance radius from the site of your organisation. Whichever you choose, you should offer justification for this definition.

References and Guidance

Homes & Communities Agency (2015) Employment Density Guide 3rd Edition. URL:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484133/employment_density_guide_3rd_edition.pdf

Characteristic 02



Network of diverse, responsible businesses and enterprises, committed to place, growing the local economy and providing good quality employment opportunities.

What this looks like locally: People are supported to set up and grow their businesses. Businesses trade with each other and share intelligence. People can shop locally and find what they need at reasonable prices. Businesses provide secure jobs and pay the living wage. There are cooperatively and community owned businesses and social enterprises in the mix. Large businesses reinvest into the community, provide training opportunities and recruit locally.

Activities of community organisations:

- Creating jobs and work placements
- Enterprise coaching, business incubation, business mentoring and networking
- Fostering local supply chains
- Providing workspace
- Providing childcare
- Fostering enterprise culture
- Engaging local businesses in community activity
- Retail activities

1. Measuring your impact - gross value added (GVA)

What?

Gross Value Added (GVA), is a measure of contribution of an individual producer, industry or sector to the economy. From the perspective of an individual business, GVA is a measure of the economic activity involved in transforming purchased goods and services into higher value (value-added) goods and services. Businesses make use of a range of resources to achieve this transformation: from labour (employees) and intellectual capital to machinery and equipment and financial resources (manufactured and financial capital). GVA is therefore a useful measure, not only for regional and sub-regional economies but also at the level of individual producers or businesses.

Why?

The more economic value produced in a local area, the stronger its local economic resilience. A growing economy can lead to more secure and better paid jobs.

How?

According to the Office for National Statistics (ONS) there are three alternative approaches that can be used for GVA calculations: income, production and expenditure. A simplified measure of GVA, using the production approach, calculates the 'balance of output less intermediate consumption'. Here, 'output' equates to sales (or 'turnover') plus net interest received and 'intermediate consumption' refers to the purchase costs of the goods, energy, and services that are changed or consumed in the production process. Simply put, this is the value a business creates in converting purchased materials into finished products or services.

Estimates of GVA may be derived from knowing the turnover and/or number of employees of an organisation and its business activity, using Standard Industry Codes (SIC 2007). These can be matched with industry averages of GVA/turnover or GVA/employee using ONS data tables. For community anchor organisations, you might want to include the turnover of tenant organisations. Surveying tenant organisations for their turnover is a simple means to obtain this economic value.

Considerations

Estimations by codes and multipliers

Data tables based on industry codes like the Standard Industrial Classifications (SICs) can offer useful proxy values when there are data gaps, but it is important to remember that these only provide estimations based on certain assumptions. As such, it is recommended to round any economic value produced to avoid any claims of false accuracy.

References and Guidance

Office for National Statistics (2017) Gross Value Added (GVA). URL:

<https://www.ons.gov.uk/economy/grossvalueaddedgva>

Wainman, G., Gouldson, I. and Szary, A. (2010), 'Measuring the economic impact of an intervention or investment' Paper One: Context & rationale, Office of National Statistics (ONS). URL:

<http://www.ons.gov.uk/ons/rel/regional-analysis/measuring-the-economic-impact-of-an-intervention-or-investment/measuring-the-economic-impact-of-an-intervention-or-investment/index.html>

2. Measuring your impact - quality of employment

What?

Through the use of various indicators, quality of employment in a local economy can be measured.

Why?

Employment levels are only a basic indicator of the current status of the job market. To capture the extent of local economic resilience properly, it is important to understand not only how many jobs, but also what type of jobs are supported within a local economy.

How?

The simplest way to measure job quality is to ask employees their levels of job satisfaction. This has advantages in that it is a relatively easy task to undertake, provides a single index and allows workers to express what they feel is important for measuring job quality.

One method to measure the quality of employment associated with your organisation is to use a job quality index as a basis to survey relevant employees. One example is the European Job Quality Index (EJQI), an index that captures broad range of work and employment characteristics. **These include:**

- Wages
- Forms of employment and job security
- Working time and work-life balance
- Working conditions
- Skills and career development
- Collective interest representation

For each category there is a set of indicators that measure job quality. These are outlined in detail by the European Trade Union Institute (see References and Guidance)

Other simple indicators for job quality might include the proportion of employees on the living wage; or the proportion on part-time or zero-hours contracts.

Considerations

Job Quality Index

To undertake a survey that fully captures all aspects of job quality like the European Job Quality Index can prove time-consuming and complex. If this is the case, it may be useful to focus on only a few categories.

Zero-hours and part-time

While zero-hours contracts, part-time employment or night-shifts can indicate precariousness in job security, it is important to acknowledge that for some people this kind of job arrangement is optimal. This highlights the importance of measuring both objective and subjective measures of quality of employment.

References and Guidance

de Bustillo R.M., Fernández-Macías, E., Antón, J.I. and Esteve, F. 2009. Indicators of Job Quality in the European Union. Parliament Committee on Employment and Social Affairs. URL:

<http://www.europarl.europa.eu/document/activities/cont/201107/20110718ATT24284/20110718ATT24284EN.pdf>

Piasna, A. 2017. 'Bad jobs' recovery? European Job Quality Index 2005-2015. European Trade Union Institute. URL:

<https://www.etui.org/Publications2/Working-Papers/Bad-jobs-recovery-European-Job-Quality-Index-2005-2015>

Office for National Statistics (2017) EMP13: Employment by industry (Labour Force Survey) URL: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/employmentbyindustryemp13>

3. Measuring your impact - corporate social responsibility (CSR) and community engagement

What?

Assessing the extent of your organisation's corporate social responsibility (CSR) and community engagement in the local area.

Why?

Engagement with the local population can help build connections between businesses and the wider community, allowing businesses and organisations to give back and become more embedded in the local area. A greater community spirit is cultivated and local people can benefit from the opportunities and resources provided by the business community.

How?

The Financial Times defines CSR as 'a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders'. Unsurprisingly, this broad definition means CSR can take many forms, such as focusing on global environmental sustainability or investing in local education. Community engagement is one particular form of CSR that is particularly relevant to community organisations, defined by Green Hotelier as "the activities that a company undertakes to enhance its relationships with, and contribute to the well-being of, the communities in which it has a presence or impact".

Provide details of the type of community engagement provided or facilitated by your organisation. This could be anything from providing volunteers to work on community litter pick-ups to donating to a local youth club or charity. Following this, quantitatively outline the scope of these community engagement activities: how many litter pick-up days have been organised, how many volunteer hours have been provided, how much money was donated to local charities? It is likely that as part of your general activities you will be monitoring and evaluating the impact your organisation is having on the community. An effective way to present the positive local impact these activities are having is to combine quantitative measures with detailed case studies. For example, a person volunteering shows engagement and provides benefits to the community, but a richer story can be presented if the person is interviewed to find out how this impacted other aspects such as their own wellbeing.

Considerations

Measuring the importance of CSR within your organisation

Community engagement not only benefits local stakeholders but can have positive impacts within your organisation. Staff might build new connections with the community or become inspired to engage with new activities. Interviewing and surveying your staff on what community engagement means to them and how their experiences can help uncover some of these positive impacts.

References and Guidance

Financial Times. Definition of corporate social responsibility (CSR). URL:

[http://lexicon.ft.com/Term?term=corporate-social-responsibility--\(CSR\)](http://lexicon.ft.com/Term?term=corporate-social-responsibility--(CSR))

Green Hotelier. 2012. What is Community Engagement? URL: <http://www.greenhotelier.org/our-themes/community-communication-engagement/what-is-community-engagement/>

Characteristic

03



Inclusive finance system with stable financial institutions providing appropriate opportunities to borrow, save and invest money, and which helps businesses, groups and individuals to survive and thrive.

What this looks like locally: Businesses and social enterprises can access the finance they need to grow. Residents are not discriminated against when it comes to accessing cash, bank accounts, loans or the living wage because of where they live. People are able to invest in local enterprises and there are ways to save and to borrow without being exploited. The social security system provides an adequate safety net which keeps people above the poverty line, and people have the skills, knowledge and support to manage their finances and avoid debt. Grants are available as well as loans and there are ways for people to donate to local charities and projects.

Activities of community organisations:

- Welfare and debt advice
- Working with a credit union or other financial institution
- Financial literacy eg money buddies
- Providing or facilitating business loans
- Providing individual grants and loans
- Providing or facilitating grants to community groups
- Raising community shares and crowdfunding
- Raising investment into the organisation
- Informal support and signposting

1. Measuring your impact - evaluating ethical institutional finances

What?

An ethical finance audit of your organisation.

Why?

It is important for organisations with aims of strengthening local economic resilience to have financial and procurement arrangements that are aligned with these aims.

How?

To present how your institutional finances support local, ethical and environmentally sustainable financial organisations, you can undertake an audit. For example, you may have a bank account with an ethical bank, such as Triodos Bank or make use of a local credit union. You can calculate the proportion of your organisation's capital held in or managed by ethical financial institutions.

Considerations

Defining ethical finance

Some guides exist that measure the extent a bank or financial institution is 'ethical', such as the one provided by Ethical Consumer. Nevertheless, it is also recommended to undertake your own research to assess subjectively the extent you feel your bank meets ethical, local and environmentally sustainable criteria.

References and Guidance

Ethical Consumer. Ethical buying guide to Business Bank Accounts, from Ethical Consumer. URL:

<http://www.ethicalconsumer.org/buyersguides/money/businessbanking.aspx>

2. Measuring your impact - assessing financial advice provided by your organisation

What?

If your organisation is a provider of financial services (such as a credit union), assessing the type, amount and impact of financial advice provided to the local population.

Why?

A population that is financially literate and knowledgeable about the benefits they are entitled to, and where they can access grants can bolster the local economy. This knowledge and access to financial advice provides resilience against any economic downturn or other 'shocks' that might result in financial hardship.

How?

Firstly, you should create a map of all the different types of financial advice services (eg welfare/benefit advice) provided through your organisation (and tenant organisations). Once this is complete, internal monitoring of the service-user numbers should be undertaken, eg how many people have used financial literacy services or telephone advice lines.

This information provides details of the type of services and extent in which people have engaged with them. However, it does not assess the impact these services have in improving people's financial knowledge. To measure this, a survey is required. The survey can consist of 'agreement statements' where respondents are asked to what extent they agree with certain statements. In this context, you can ask respondents to use a 'Likert scale' to indicate how much they felt engagement with these services improved financial knowledge. Having done so, you will need to determine how much of any improvement to attribute to your organisation's services. Example statements include:

Since using the service...

- ...I feel much more knowledgeable about the financial options available to me since using the service
- ...The advice and knowledge given to me has made me feel more financially secure
- ...I manage my finances better
- ...I have less debt using the knowledge I gained from the service

You might also consider a 'before and after' survey that captures the distance travelled by service users in terms of their financial knowledge and management. In addition to agreement statements on a Likert scale, you could ask questions related the financial services people use, how often do they make use of payday loan companies?

Considerations

Attributing improvement to your service

External datasets may exist to show positive changes in the local population's financial situation, for example, the average amount of debt amongst the population. However, while this information can indicate an improving financial situation for local people that correlates with your organisation's activities, it does not show causation, ie how much this change is attributable to your organisation. It is important to remain wary of this, as many other factors are likely to have contributed to this change. Also, these datasets may be updated infrequently and so are not particularly useful for assessing the impact of short-term interventions.

Asking about people's finances

To add further evidence your organisation's impact, obtaining data about the amount of money saved or benefits claimed is a useful indicator. However, it is important to remain wary of asking people directly about their finances, as this can sometimes be a sensitive subject. Use judgement to assess whether it is appropriate to do so for a particular context.

3. Measuring your impact - measuring grants and loans facilitated through your organisation

What?

Measuring the type and amount of financial support offered by your organisation.

Why?

A resilient local economy requires the ability of its businesses and social enterprises to feel able to acquire financial support, in the form of grants, loans and fund-raising, when necessary. This helps fuel local investment and provides an environment where new businesses can flourish and established businesses can continue to grow.

How?

Consider how the organisation (and/or tenant organisations) provide any of the following:

- Business loans
- Individual grants and loans
- Grants to community groups
- Assistance in raising community shares

If any of these services are provided, detail the following information:

- The type of grant, loan or community share
- The beneficiaries of these grants, loans and community shares
- The number of grants, loans and community shares
- The total monetary value of grants, loans and community shares

Considerations

Looking beyond the numbers

While the type, number and cash value of grants, loans and community shares provided or facilitated by your organisation offer a good indication of its financial support, they might not capture the full picture. Qualitative descriptions in the form of case studies can support quantitative data. Case studies of particular businesses and social enterprises who have benefited from financial support can illustrate in detail how loans, grants and community shares have contributed to flourishing businesses and fund-raising community activities.

Characteristic

04



Positive and productive use of local assets, with ownership, access and control over productive resources in community hands or profits reinvested into the community.

What this looks like locally: Redundant buildings and spaces are brought back into use through a mix of volunteer effort, local investment and enterprise. Assets which the public sector can no longer afford to run are given to communities that can make use of them. People work together to find new uses for valued old buildings and support local businesses to bring them back into use. Empty homes are brought back into use. Communities raise investment to generate energy, provide infrastructure and run services cooperatively with the profits reinvested. Public land and resources are managed for the common good and not for private profit.

Activities of community organisations:

- Ownership of assets by a local democratic organisation with an asset lock with open membership and community accountability
- Generation and reinvestment of profit back into community
- Providing a space/place for local services - GP, health, employment, welfare, parks, shops, landmarks, sports
- Developing and managing housing
- Generating local pride through saving or developing iconic buildings
- Save and invest in heritage and operate museums & heritage centres
- Ownership and generation of energy
- Other co-ops/community enterprises supported with profits

1. Measuring your impact - regeneration of buildings and spaces

What?

Measuring the extent of your organisation's contribution to facilitating the regeneration of derelict, unused buildings and spaces.

Why?

Empty properties and derelict buildings have serious negative impacts on local communities, contributing towards a 'spiral of decline' that can lead to increased vandalism, levels of equity dropping, households moving out, local businesses closing and an overall loss of amenities. As identified in the House of Commons' Empty Housing (England) briefing paper, "dealing with empty properties can have social, regenerative, financial and strategic benefits".

How?

Calculate how much redundant building space is now in use as a result of your organisation. This is straightforward if the organisation's activities directly relate to transforming derelict space; simply count the number of buildings and their area to calculate the total regenerated area. To evidence impact further, a percentage of the total transformed derelict and unused space in the local area can be calculated. Government data such as the National Land Use Database of Previously Developed Land (NLUD-PDL) can help in this calculation (see References and Guidance).

In addition to detailing the amount of building and derelict space brought back into use, you can catalogue the ways in which these spaces have been transformed (eg an empty building is now a youth centre) and how its use provides benefits for the local community.

Considerations

Detailing positive transformation of buildings

Like other indicators, presenting just the quantitative change might not fully represent the extent of its positive impacts. Undertaking case studies of exemplar cases can bring life to these numbers.

References and Guidance

Local Government Association (LGA) and Locality. 2012. Empowering communities: making the most of local assets. URL: <http://locality.org.uk/wp-content/uploads/Companion-Guide-for-Local-Authorities-Empowering-Communities.pdf>

UK Government. 2014. National Land Use Database of Previously Developed Land (NLUD-PDL). URL: <https://www.gov.uk/government/collections/national-land-use-database-of-previously-developed-land-nlud-pdl>

Wilson, W., Cromarty, H. and Apostolova, V. 2017. Empty Housing (England), House of Commons Library Briefing Paper Number 3012. URL: <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN03012>

2. Measuring your impact - volunteering

What?

Measuring the number of volunteer hours supporting local assets facilitated by your organisation.

Why?

High numbers of volunteers supporting local assets indicate an engaged community, one that is willing to contribute 'sweat equity' to maintain and enhance these assets for the greater communal benefit.

How?

Survey each local asset site associated with your organisation's activities to measure the number of volunteers involved in their support and maintenance. Categorise different levels of engagement amongst volunteers (eg rarely, occasionally, frequently) and the numbers of hours they volunteer. Information on benchmarking and other guidance is provided by organisations such as the National Community for Voluntary Organisations (NCVO).

Considerations

Valuing volunteering

The HACT Social Value Bank estimates an economic metric for the social value of 'Regular Volunteering' for different demographics in the UK (Location: Outside and Inside London, Age Groups: <25, 25-49, >50). Regular Volunteering is defined as 'Volunteers at least once per month for at least two months'. Using these social values, you might consider calculating the total social impact from volunteering facilitated through your organisation's activities.

References

National Community for Voluntary Organisations (NCVO): <https://www.ncvo.org.uk/>
NCVO Knowhow Non-profit:
<https://knowhownonprofit.org/>
HACT Social Value Bank:
<http://www.hact.org.uk/social-value-bank>

3. Measuring your impact - community asset ownership and pride

What?

Measuring the number of people collectively owning assets in the area and their levels of pride in the area related to community asset management.

Why?

A resilient local economy is one in which community members have a stake in community assets and take pride in managing these assets.

How?

What is considered a community asset and the range of community ownership models can be found in *Building Powerful Communities Through Community Asset Transfer*, published by Locality and Power to Change.

It is important first to determine the number of people collectively owning the asset and how this ownership is proportioned amongst owners (eg to ascertain how equally the share of ownership is spread). You can also calculate the total value of the assets your organisation owns - Locality calculates that its network of members collectively owns £779m worth of assets.

You can go further by surveying and/or interviewing local community owners to establish their levels of pride in their ownership of the asset and the motivations behind their involvement. Appropriate questions for measuring pride in community assets can be adapted from the European Social Survey and the New Economics Foundation's (NEF) National Accounts of Well-being. Questions within the 'Trust and Belonging' theme include, for example: "To what extent do you feel that people in your local area help one another?" and "I feel close to the people in my local area (agree - disagree)."

Considerations

The stories behind community ownership

While estimating the extent of community ownership in local assets is relatively straightforward in the sense of counting amounts and calculating monetary value, what community ownership means might be different to different people. In this context it is important to explore how community members involved in these assets perceive ideas about community ownership. This involves asking questions around their feelings of empowerment, how much stake they feel they have and to what extent they feel the current ownership model captures their view of what community ownership is about. Qualitative interviews and focus-group are an effective means to gather these insights.

References and Guidance

Locality and Power to Change. 2018. *Building Powerful Communities Through Community Asset Transfer*. URL: <http://locality.org.uk>
National Accounts of Well-being: bringing real wealth onto the balance sheet. Appendix 3: European Social Survey question aggregation. URL: <http://neweconomics.org/2009/01/national-accounts-wellbeing/>

Characteristic 05



Active and connected citizens, with high levels of agency and democratic participation, a strong sense of community and good links to other places.

What this looks like locally: People are well connected to others and to local institutions. There are good sources of local knowledge and intelligence. People work together to plan and take action to improve the area. People have a sense of agency. People participate in democracy and hold politicians to account. Local institutions are accountable to the community for their decisions. There are spaces and places where people can come together and which provide the opportunity to break down barriers between people and increase trust. People are cared for and supported by their families, friends and neighbours as well as local services. There are connections at an individual and organisation level with other places and regions.

Activities of community organisations:

- Listening, understanding need and empowering people through community engagement, development and organising
- Supporting local networks eg faiths forum, parish council, neighbourhood partnerships
- Promoting membership of local organisations
- Organising or supporting community and social events
- Supporting local/neighbourhood planning
- Hosting public sector workers
- Volunteer brokerage
- Running befriending schemes, buddying, peer mentoring
- Youth work and work in schools
- Democratic engagement eg voter registration, hosting polling stations and councillor surgeries
- Providing safe spaces eg community centres, library, cafes, parks
- Encouraging diversity and integration of different sections of the community
- Representing the area, influencing decision-making
- Providing opportunities for people to travel out of the area to have new experiences

1. Measuring your impact - social connectedness

What?

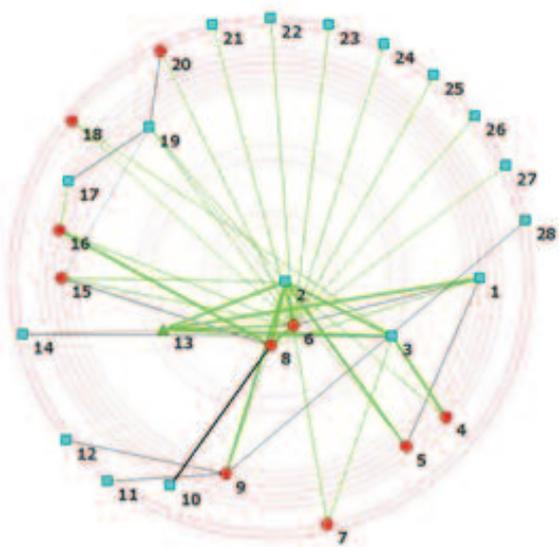
Mapping and measuring the extent of social connections within a community.

Why?

A community with greater social connections is one with higher levels of trust and security. People work together to take action to improve the local area and possess a feeling of agency and engagement with community developments. Enhanced connections between community members may lead to reduced pressure on public services.

How?

An effective way to present social connectedness is through mapping and visualisation. There are numerous social network visualisation tools available that can both map the connections between community members and the strength of these connections. SocNetV is open-source and free-to-use software. An example of a social connections map developed using SocNetV is presented below:



- Organisation / institution
- Person
- ▲ Partner organisation
- ▬ Connection not influenced by programme
- ▬ Connection influenced by programme

As shown in the diagram, nodes and lines connecting them can take the form of different colours, thickness and shape to reflect different person and relationship types. The more central the node is, the more connected the person or organisation.

To gather data for a social connections map, you should undertake interviews with community members. In these interviews, you should ask who from the community they engage with and how they would describe these relationships (eg close friends, colleagues etc.) and how much a particular connection is influenced by your organisation's activities. From this information, you can subjectively assess the strength of relationships and visually represent these connections.

Considerations

Narrow down focus on community members' social connections

Individuals and organisations you interview are likely to have more social connections than you can realistically measure and visually capture. Try to narrow the focus of your investigation, asking interviewees to only discuss connections they have with other people in terms of community development work.

References and Guidance

Social Network Visualizer software:

<http://socnetv.org/>

Social connectedness: Concept and measurement. 2009. Intelligent Environments 2009 - Proceedings of the 5th International Conference on Intelligent Environments, Barcelona, Spain. URL:

https://www.researchgate.net/publication/220992602_Social_connectedness_Concept_and_measurement

2. Measuring your impact - social trust

What?

Measuring levels of trust in the local community

Why?

Greater trust amongst community members leads to greater civic engagement, with higher levels of institutional trust and trust in others shown to lead to higher personal well-being. People feel supported and secure in their community.

How?

The Office for National Statistics (ONS) report Measuring Social Capital collates different measures to test Trust and Cooperative Norms from various research bodies. These can be used as a basis for survey or interview questions. Measures include:

- Level of trust in national government
- Those who would say that most people can be trusted
- Those who would say that most people in their neighbourhood can be trusted
- Those who agree or strongly agree that people around where they live are willing to help their neighbours
- Feeling fairly safe or very safe to walk alone in their local area after dark
- Agree or strongly agree that residents in their local area respect ethnic differences between people

Considerations

Improving social trust through your organisation's activities

When surveying community members for levels of trust, remember to ascertain how much of this trust is attributable to your organisation's activities. It is important to directly ask how much they attribute feeling greater levels of trust to your organisation to effectively reflect your impact. Asking respondents to give a percentage of attribution is one useful way of measuring this trust.

References and Guidance

Glaeser, E L., Laibson, D I., Scheinkman, J A. and Soutter, C L. 2000. Measuring Trust. The Quarterly Journal of Economics 115 (3): 811-846. URL: https://dash.harvard.edu/bitstream/handle/1/4481497/Laibson_MeasuringTrust.pdf?sequence=7

Siegler, V. 2014. Measuring Social Capital. Office of National Statistics (ONS). URL: http://webarchive.nationalarchives.gov.uk/2016010715718/http://www.ons.gov.uk/ons/dcp171766_371693.pdf

3. Measuring your impact - political engagement

What?

Measuring political engagement of community members.

Why?

A politically engaged population has greater agency in local decision-making and are empowered to shape community developments.

How?

Attributing increased political engagement directly to your organisation's activities is relatively difficult. For example, electoral data can show an increase in voter

registration and turnout in the local election but how much this is facilitated through your organisation will not be clear from these sources alone. An alternative approach is to undertake a survey of your relevant stakeholders to evidence the extent to which you have encouraged them to engage in the political process, particularly in an area where it is weak and in decline. The European Social Survey (ESS) has a section focusing on political beliefs and engagement, from where useful example questions can be adapted.

These include:

1. How interested would you say you are in politics are you?
2. How able do you think you are to take an active role in a group involved with political issues?
3. How confident are you in your own ability to participate in politics?
Values Categories: Very interested / Quite interested / Hardly interested / Not at all interested / Refusal / Don't know
4. There are different ways of trying to improve things in the local area or help prevent things from going wrong. During the last 12 months, have you done any of the following? Have you...
...contacted a politician, government or local government official?
...worked in political party or action group?
...worked in another organisation or association?
...worn or displayed campaign badge/sticker?
...signed a petition?
...taken part in lawful public demonstration?
...boycotted certain products?
...posted or shared anything about politics online?
Values Categories: Yes / No / Refusal / Don't know

Considerations

Challenges in measuring political participation

Measuring political participation through self-reporting, as is done when using surveys, has its challenges. Prominent amongst them is the disparity between self-reported participation and actual voter turnout rates: often self-reported participation overestimates voter turnout. It is important to consider these challenges when evidencing political engagement. The European Consortium on Political Research discusses these challenges (see References and Guidance).

References and Guidance

European Social Survey. 2016. Politics (Core - all rounds). Survey questions. URL: <http://www.europeansocialsurvey.org/data/themes.html?t=politics>

European Consortium on Political Research. 2017. Measuring political participation. URL: <https://ecpr.eu/Events/SectionDetails.aspx?SectionID=634&EventID=96>

Characteristic 06



Clean and sustainable environment, operating within environmental limits and with sustainable use of food, land and energy.

What this looks like locally: The local environment sustains health and wellbeing. There is clean air and water which supports people and sustains nature. Local infrastructure enables people to walk and cycle. Local green spaces are protected, enhanced and accessed by all. Food is produced without excessive use of pesticides and fertilisers and food supply chains are localised. Carbon release is minimised through production of renewable energy, reduced use of petrol and diesel for transport, energy efficiency in buildings and reduced transportation of goods. People have the skills and resources they need to live a sustainable life.

Activities of community organisations:

- Litter picks
- Food growing, processing & distribution
- Keeping bees
- Nature activities and environmental education
- Looking after green space & water, parks, woodlands
- Conservation work and green gym
- Promoting walking and cycling
- Recycling of food, clothing, furniture, paper
- Buying and producing green energy
- Fuel buddies, winter warmth initiatives
- Tree planting, wildflower planting
- Eco-Building and renovation – eg straw bale, Passivhaus
- Bike library, cycle repair, bikeability, bike networks
- Sourcing local food
- Flood resilience centres
- Long term nature of anchors & management of assets
- Providing local services which reduce travel/carbon

1. Measuring your impact - sustainable procurement

What?

Measuring sustainable (or 'green') procurement.

Why?

It is important for organisations seeking to contribute positively to the local environment (either directly or indirectly) that they have procurement arrangements that are aligned with these aims.

How?

Undertaking a green audit of your organisation's procurement can prove difficult, as it might require specific knowledge and technical expertise. The Chartered Institute for Procurement & Suppliers (CIPS) outline the factors to consider around sustainable procurement as "non-renewable material use, manufacture and production methods, logistics, recycling options, disposal and supplier capabilities". While some of these factors might not be relevant to your organisation, it is in these areas you will want to evidence your positive contribution to the environment through your procurement activities. For example, you might want to highlight that your organisation's electricity comes from renewable sources.

There are several frameworks and tools available that can help you assess sustainable procurement. DEFRA provides guidance on what good practice looks like and provides the Flexible Framework tool, a self-assessment spreadsheet enabling organisations to 'measure, monitor and improve how they procure' (see References and Guidance). Although this tool is directly primarily at government organisations, it is possible to adapt to the context of your organisation.

Considerations

Sustainable procurement more than just 'green'

Sustainable procurement frameworks/tools do not necessarily only focus on the environment and the purchasing of 'green products'. They also incorporate socio-economic elements (eg child labour in supply chains). As such, there is overlap with the ethical finance audit outlined in characteristic 3.

Considering local

The 'local' aspect of sustainable procurement might not be emphasised in frameworks and tools you use. To evidence your sustainable procurement activities are both green and locally-focused, consider complementing your audit with some of the techniques outlined in the LM3 methodologies (see characteristic 1).

References and Guidance

Chartered Institute of Procurement & Supply (CIPS). Sustainable procurement. URL: <https://cips.org/en-au/knowledge/procurement-topics-and-skills/sustainability/sustainable-and-ethical-procurement/sustainable-procurement/>

DEFRA. 2011. Sustainable Procurement in Government: Guidance to the Flexible Framework. URL: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69471/pb13423-flexible-framework-guidance-110928.pdf

UK Government. 2014. Sustainable procurement tools. URL: <https://www.gov.uk/guidance/sustainable-procurement-tools>

Wilkinson, A and Kirkup, B. 2009. Measurement of Sustainable Procurement. Adam Wilkinson and Associates and East Midlands Development Agency. URL: http://impactmeasurement.co.uk/Downloads/Measuring_SP_Report_Release.pdf

2. Measuring your impact - promoting green behaviour

What?

Assessing how much your organisation and its activities promote green behaviour.

Why?

A local economy where the population is engaged in greener behaviour can improve the local environment, resulting in cleaner air, less waste, more green spaces and greater energy efficiency.

How?

Present all the activities your organisation and associates undertake towards promoting green ('pro-environmental') behaviour among staff, service-users and the wider community. Examples might take the form of local tree-planting, encouraging the take-up of cycling schemes, food-growing workshops and waste reduction campaigns. Case studies of particular activities, campaigns or schemes are an effective way to highlight how your organisation promotes green behaviour.

A survey can measure the impact your promotion has had on changing behaviour. There are two approaches this survey can take: you can ask directly for participants to attribute whether your organisation's activities have influenced their behaviour or you can undertake a 'before' and 'after' survey, where participants outline their environmental behaviour before and after engagement with your

organisation's activities. The former has the advantage of only requiring one round of surveying. However, if you want to measure behaviour involving frequency or amount (for example, how often do you drive/recycle or how many bags of domestic waste do you produce per week), the before and after approach is recommended, as participants may have difficulty remembering how they behaved in the past.

DEFRA's Survey on public attitudes and behaviour towards the environment provides some example questions you can use, covering topics such as environmental and energy behaviours, food behaviours, recycling behaviours, and energy in the home behaviours. In addition to surveying about behaviours, you may also want to measure how knowledge around environmental issues has changed. For example, respondents might be asked about their awareness of environmental issues such as climate change, biodiversity or ecosystem services. DEFRA's Attitudes and Knowledge Relating to Biodiversity and the Natural Environment, 2007 - 2011 report offers some guidance in how to approach this.

Considerations

Difference between environmental attitudes and actual behaviours

A common observation of those researching environmental attitudes and behaviour is the disparity between environmental concern and actual behaviour: people expressing concern about the environment still engage in behaviours detrimental to the environment. One explanation for this contrast is the social context of the individual (Ewert and Galloway, 2004). For example, there may be a strong temptation to take a flight for a weekend break if friends are doing the same thing. When surveying attitudes and behaviours, you might want to explore the extent of this disparity within your participant groups. Follow-up research in the form of interviews might offer interesting insights to explain reasons for any disparity between attitudes and behaviours.

References and Guidance

DEFRA. 2011. Attitudes and Behaviour Tracker. Questionnaire. URL:

<http://webarchive.nationalarchives.gov.uk/20110704135506/http://archive.defra.gov.uk/evidence/statistics/environment/pubatt/download/questionnaire.pdf>

DEFRA. 2011. Survey on public attitudes and behaviours towards the environment. URL:

<http://webarchive.nationalarchives.gov.uk/20110704135447/http://archive.defra.gov.uk/evidence/statistics/environment/pubatt/index.htm>

DEFRA. 2013. Attitudes and Knowledge Relating to Biodiversity and the Natural Environment, 2007 - 2011. URL:

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3. Measuring your impact - measuring contribution to sustainable infrastructure

What?

Measuring how your organisation's activities contribute towards improvements in the local area's sustainable infrastructure such as transport, energy generation and efficiency, and green infrastructure.

Why?

Infrastructure supports the daily functioning of local communities and is an essential component in a resilient local economy. Effectively designed and maintained infrastructure can provide a clean and ecologically-robust local environment and can promote more sustainable behaviours in the local population.

How?

This indicator primarily relates to organisations who are involved in infrastructure provision for the local area. There are numerous ways in which your organisation might contribute to improving local sustainable infrastructure. Outline what areas of local infrastructure your organisation is involved in, including (but limited to): transport, energy generation, energy efficiency, green infrastructure and food production. Following this, detail your organisation's specific activities and how they contribute to a sustainable local environment. This might involve the construction of cycle lanes, insulating buildings, developing renewable energy sources or the creation and maintenance of 'green infrastructure' (defined by Natural England as a network of high quality green spaces). After detailing these activities, outline the extent of these activities (eg how much energy generated, how much land converted to green space etc.) and estimate how many people are impacted by them. Depending on the context, estimating the

number of people impacted might be relatively straightforward, for example you are likely to have internal data on the number of homes your organisation has insulated. In other cases, it might require extra data collection, such as measuring the number of visitors to green spaces or the number of cyclists using cycle lanes and the frequency in which they use them.

In terms of measuring the extent your activity contributes to the sustainability of the local area, there are many different frameworks and indicators you might use. The Office of National Statistics' (ONS) Sustainable Development Indicators offers a good starting point to identify indicators that are most relevant to your context. A commonly-used indicator to assess positive environmental impact relates to carbon emission savings. By measuring the extent your activity contributes to reduction of carbon emissions, this indicator creates a quantifiable value you can present to indicate positive environmental impact. For example, reduction in the number of car journeys, reduction in fossil-fuel burning energy use or sequestration of carbon from the atmosphere from green infrastructure. Data estimating carbon emissions for a particular activity is often available through research of academic and governmental literature, although it may prove harder to find for some activities than others.

Considerations

Defining sustainability

Definitions of sustainability (or 'sustainable development') can vary, meaning different things to different people, and with emphasis placed on different aspects and at different geographical scales. What might be considered a sustainable activity at a global level might actually be considered unsustainable at a local level. When discussing contribution to sustainability, it is important to outline clearly what your organisation means by sustainability and specifically, what it means in a local context.

Limitations of using carbon emissions

'Carbon emissions savings' is a useful and relatively simple indicator to evidence positive environmental impact. However, it is important to remember that reduction in carbon emissions is not the only positive environmental outcome and that some infrastructure activities might reduce carbon emissions but have other detrimental environmental effects. For example, construction of a cycle lane might promote a reduction in car journeys, but if built in an area of ecological sensitivity, it might have negative biodiversity impacts.

References and Guidance

Carbon Footprint Calculator. URL:

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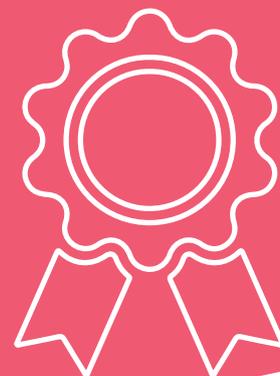
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Characteristic

07



Good quality services - housing, health and social care, and education – that are available to all and sustain health and wellbeing.

What this looks like locally: The local neighbourhood provides affordable homes, education and health and social care which enables people to maintain their health and independence and to thrive as human beings. Children and young people are able to grow and develop, gain skills and qualifications and fulfil their potential. They can become independent from their parents and find jobs and homes they can afford. Older people are supported to remain at home with support and are not isolated. People are able to maintain their health so that they can work, care and take an active part in their community.

Activities of community organisations:

- Sports and activity centres and classes
- Health centres and hosting of health services eg GPs
- Peer health and social prescribing
- Sports for young people
- Campaigning for clean air
- House building, refurb, management
- Neighbourhood Planning
- Services for older people eg lunch clubs, activity classes, home help
- Mental health services/disability services and welfare rights and employment support
- Ecotherapy and affordable counselling
- Alternative education and specialist schooling
- Sharing space with schools and hosting school visits
- Co-production of services and campaigning about services

1. Measuring your impact - health and wellbeing indicators

What?

Methods and indicators to measure the health and wellbeing of the local population.

Why?

A resilient local economy is one with a healthy community. As health and wellbeing improve, less strain is put on public services and people are more able to participate in community life. Using indicators to measure health and wellbeing helps evidence the quality and effectiveness of local services and organisations to improve the health and wellbeing of the community.

How?

The number of indicators available to quantitatively measure health and wellbeing improvements within a local population is vast. For example, the NHS Indicator Portal contains thousands of health indicators from numerous data sources (see References and Guidance). While this portal is a useful resource to understand the type of indicators you might want to measure, given the overwhelming number of indicators available it is important to focus on health and wellbeing aspects most relevant to your organisation's activities. This may relate to areas such as smoking and drinking behaviours, physical activity, mental health or GP and hospital use.

Surveys are required to obtain data for the indicators you want to measure and evidence. Survey design is important to ensure you capture the information you want: that is, the extent in which people's health has improved and how much is attributable to your organisation's activities. One particularly useful metric in determining health improvements is the change in the number of GP and hospital visits. Another might relate to changes in individual's Body Mass Index. While you will neither want or need to undertake a survey of people's health at the same depth, the NHS Health Survey for England series provides examples on how you might structure survey questions around topics like smoking and drinking, obesity and social care (See References and Guidance).

To measure the population's wellbeing, the Warwick-Edinburgh Mental Well-being Scale (WEMWBS) is a simple and effective method. Developed by the Universities of Warwick and Edinburgh, WEMWBS is comprised of 14 positively-worded statements about feelings and thoughts. These statements are as follows:

- I've been feeling optimistic about the future
- I've been feeling useful
- I've been feeling relaxed
- I've been feeling interested in other people
- I've had energy to spare
- I've been dealing with problems well
- I've been thinking clearly
- I've been feeling good about myself
- I've been feeling close to other people
- I've been feeling confident
- I've been able to make up my own mind about things
- I've been feeling loved
- I've been interested in new things
- I've been feeling cheerful

Participants are asked to choose from the following scale: None of the time / Rarely / Some of the time / Often / All of the time. A before and after WEMWBS survey can help evidence improvements in wellbeing. Further guidance on WEMWBS can be found in Reference and Guidance section.

Considerations

External datasets

External datasets, such as Public Health England's Local Health database (www.localhealth.org.uk) are available that can show improvements in the health and wellbeing of the local population. This data can be useful to provide context for improving local physical and mental health, however it does not show causation, ie how much this change is attributable. It is important to remain aware of this, as many other factors might have contributed to this change.

Cost savings

As previously mentioned, health and wellbeing improvements can lead to considerable savings for local services. When quantifying improvements in health and wellbeing, you might want to consider presenting these cost savings as part of a cost-benefit analysis (see Section 1.2.). Through the use of different values and proxies for particular services and treatments, it is possible to estimate cost savings. For example, the Personal Social Services Research Unit (PSSRU) estimates GP consultation costs £236 per hour. By finding out the reduction in GP visits within your population sample, you can estimate total cost savings to a local service. A selection of sources provided numerous health-related values and proxies are provided in the References and Guidance section.

References and Guidance

NHS Indicator Portal. URL:

<http://content.digital.nhs.uk/indicatorportal>

NHS. 2016. Health Survey for England, 2015. URL:

<https://digital.nhs.uk/catalogue/PUB22610>

NHS. 2016. Health Survey for England 2015: Field documents and measurement protocols. URL:

<file:///E:/Users/William.Davies/Downloads/HSE%202015-documentation.pdf>

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2008. Warwick-Edinburgh Mental Well-being Scale

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Network for Mental Health Promotion. URL:

<http://www.mentalhealthpromotion.net/resources/user-guide.pdf>

Public Health England - Local Health database. URL:

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Example sources for health-related values and proxies:

BHF National Centre. 2014. Economic Costs of physical inactivity - Evidence briefing, University of Loughborough. URL:

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2. Measuring your impact - measuring improvements in people's housing situation

What?

Methods to evidence how your organisation contributes towards improvement of the local community's housing situation.

Why?

Access to decent, affordable housing is essential for a local economy to thrive. Homelessness and overcrowding have significant detrimental impacts on people's health and wellbeing, and the ability for people to contribute to the wider community. Furthermore, uncertainty surrounding people's housing circumstances make it difficult for community ties to become established. As such, measuring how your organisation improves local people's housing situation shows how you contribute to a resilient local economy.

How?

Community-led housing can address both community needs and create sustainable income streams for housing providers. How your organisation contributes towards improving the local housing situation can vary depending on the type of services it offers. As a starting point, you can map all the different types of services you provide. This might include housing advice, crisis support for the homeless or the provision of community-led housing. If the activities relate to providing community-led housing, you could measure the number of units provided and/or tenants and potentially express these in relation to the total available accommodation in the area.

If you are a provider of advice and support, you should undertake internal monitoring of the number of service-users engaged, eg how many people received advice or support. This information presents the scope of organisation's activities. Following this, you should try to assess the impact these services have had in improving people's housing situation. Surveying service-users before and after can quantitatively capture this improvement. The Ministry of Housing, Communities & Local Government's English Housing Survey provides example questions for survey design exploring people's satisfaction with survey design.

Examples include:

How satisfied are you with this accommodation?

1. Very satisfied
2. Fairly satisfied
3. Neither satisfied nor dissatisfied
4. Slightly dissatisfied
5. Very dissatisfied

Given your current circumstances, how satisfied are you being someone who [owns their own home /rents from the council /rents from a Housing Association /rents from a private landlord/ is a part-owner/ is a renter]?

1. Very satisfied
2. Fairly satisfied
3. Neither satisfied nor dissatisfied
4. Slightly dissatisfied
5. Very dissatisfied

In the survey, it is important to ask directly how much they attribute any changes in their housing situation with your organisation's activities. Asking respondents to give a percentage of attribution is one useful way of measuring this trust. For example:

To what extent do you think these changes in your housing situation are related to [your organisation's activities]?

- Not at all (0%)
- A little (25%)
- Some (50%)
- Quite a lot (75%)
- A great deal (100%)
- Not applicable/no change

It is recommended to undertake qualitative research to complement your survey findings. Housing issues are complex and it can prove difficult to capture this complexity through only a survey approach. Interviews and focus groups can present a richer account of the positive impacts your organisation makes.

Considerations

Housing affordability ratios

The use of housing affordability ratios can provide a general context of housing affordability in the local area. The most commonly used ratio is calculated by dividing house prices by annual income. The Office for National Statistics (ONS) offers guidance on the datasets available and how they can be used to calculate housing affordability (see References and Guidance). In the UK, official definitions of housing affordability do not exist nor is there any agreement on what constitutes an unaffordable ratio. Some definitions put affordability as rents that are below

25% of household income (Tang, 2009). Due to this subjectivity, you should consider what constitutes affordability in your context. While housing affordability ratios provide useful contextual information, it can be difficult to attribute changes in these ratios directly to your organisation's activities.

Building new homes

Related to housing affordability, it is important that if your organisation is involved in the construction of new homes that the genuine affordability of these homes for the local population is considered.

References and Guidance

Ministry of Housing, Communities & Local Government. 2016. English Housing Survey 2016 to 2017: questionnaire and physical survey form. URL: <https://www.gov.uk/government/publications/english-housing-survey-2016-to-2017-questionnaire-and-physical-survey-form>

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3. Measuring your impact - measuring improvements in education and skills

What?

Methods to evidence how your organisation contributes towards improvement of local people's education and skills.

Why?

A resilient local economy invests in local people's education, helping to boost their life chances and the community as a whole.

How?

Any qualifications gained by people supported by your organisation, either directly or by associated activities (such as those of tenant organisations), are indicators of improved local skills. Using a qualifications framework can help standardise and measure local skills improvement. The UK government's Regulated Qualifications Framework (RQF) provides one framework (see References and Guidance). This framework has seven levels. By surveying relevant people before and after they use services associated with your organisation, you can measure their distance travelled in terms of skills improvement. Qualifications for each level are presented below.

Entry level

- Entry level certificate
- Entry level Skills for Life
- Entry level Functional Skills

Level 1

- GCSE (grades D-G)
- Vocational Qualifications Level 1
- NVQ level 1
- Skills for Life level 1
- Foundation diploma
- Functional Skills level 1
- Welsh Baccalaureate Qualification Foundation

Level 2

- GCSE (grades A*-C)
- NVQ level 2
- Skills for Life level 2
- Higher diploma
- Functional Skills level 2
- Vocational Qualifications Level 2
- Welsh Baccalaureate Qualification Intermediate

Level 3

- AS and A level
- Vocational Qualifications Level 3
- International Baccalaureate
- NVQ level 3
- Advanced diploma
- Welsh Baccalaureate Qualification Advanced

Level 4

- Vocational Qualifications Level 4
- Higher National Certificates (HNC)
- Certificates of Higher Education (CertHE)

Level 5

- NVQ level 4
- Higher National diploma (HND)
- Higher National Certificates (HNC)
- Vocational Qualifications Level 5
- Foundation Degrees
- Diplomas of Higher Education (DipHE)

Level 6

- Vocational Qualifications Level 6
- Bachelor's degree
- Graduate certificate
- Graduate diploma
- Professional Graduate certificate in Education (PGCE)

Level 7

- Fellowship
- Vocational Qualifications Level 7
- Postgraduate certificate
- Postgraduate certificate in Education (PGCE)
- Postgraduate diploma
- NVQ level 5
- Master's degree

Other indicators can reflect your organisation's contribution to improving local skills. For example, counting the number of apprenticeships or work experience placements facilitated by your organisation's activities. However, a common criticism of simply measuring the number of apprentices employed is that this on its own does not say anything about the level of skills gained by the apprentice. This is because apprenticeships may take many different forms and can vary significantly in terms of both duration and the levels of skills attained.

Considerations

Using case-studies

Quantitative measures might not fully capture skills improvement. For example, improvement in skills levels might not involve people obtaining standard qualifications, but instead skills that are harder to quantify. Case studies, detailed accounts of individuals who have gained skills through involvement with your organisation's activities, can provide a more nuanced account. Interviews and focus groups are useful methods to capture these stories.

References and Guidance

UK Government. 2016. What qualification levels mean. URL: <https://www.gov.uk/what-different-qualification-levels-mean/compare-different-qualification-levels>

locality

the power of community

About Locality

Locality supports local community organisations to unlock the power in their community to build a fairer society. Our member network of over 550 community organisations creates the services their community needs most in spaces where everyone belongs. Locality provides specialist advice, peer-learning, resources, and campaigns to create better operating conditions for our members.

Unlock the power of community

Find out more about the Keep it Local for Economic Resilience project and join the Keep it Local Network at locality.org.uk

Locality is grateful to the Friends Provident Foundation for supporting this work. Friends Provident Foundation is an independent grant-making charity working to support greater economic resilience through building knowledge and taking action at the strategic and local levels

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