http://www.pwc.co.uk/totalimpact

Defining and measuring social value

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Think Deep UK

28th September 2017

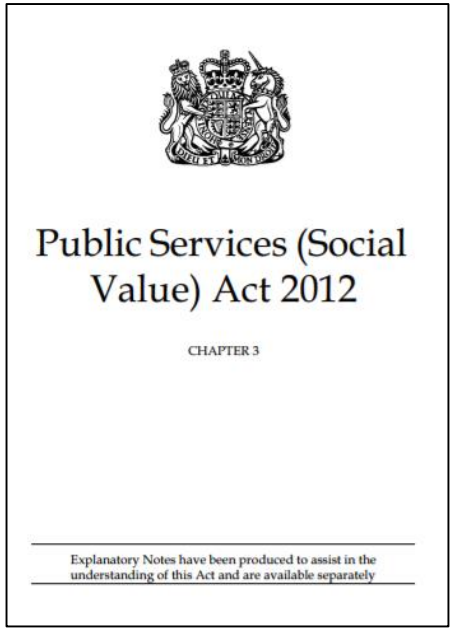
pwc

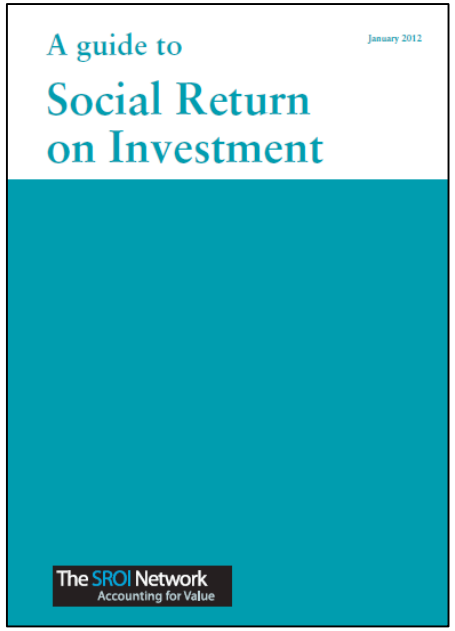
Defining and measuring social value

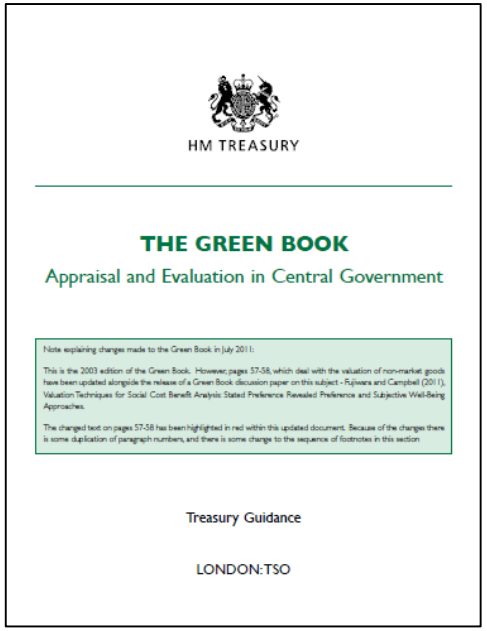
1. Some of the different ways that social value is defined
2. The approach we use to measure social value
3. Real life example

What do we mean by social value?

What do we mean by 'social value'?







"economic, social and environmental well-being"

"'Social value' is used to describe social, economic and environmental value."

The value of "resources and relationships provided by people and society."

Sum of the opportunity costs of the resources used by the agent carrying out the activity, plus any additional costs imposed on society from the activity

… and by 'Social Impact Valuation'?

Taking each word in turn…

Social

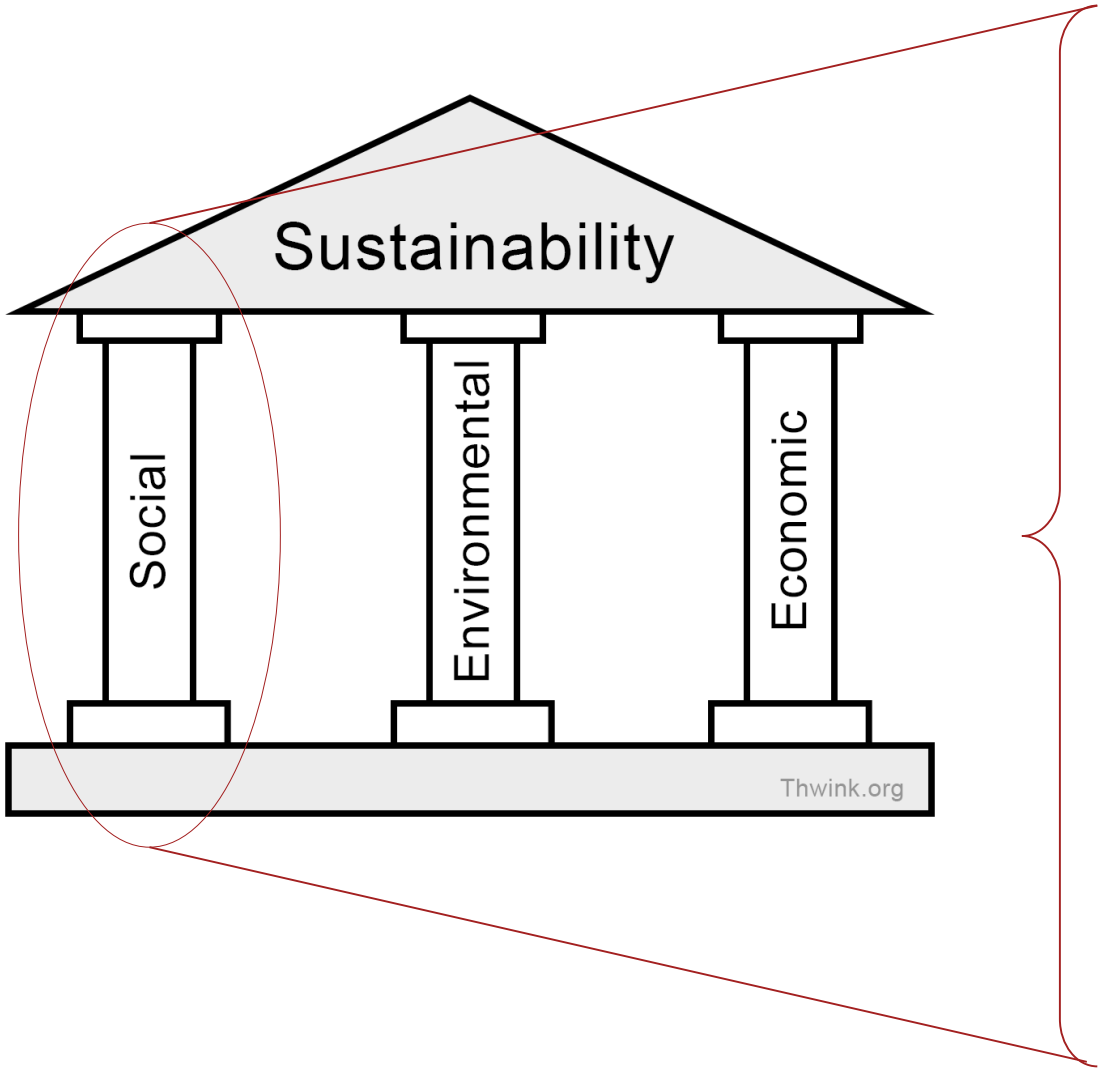
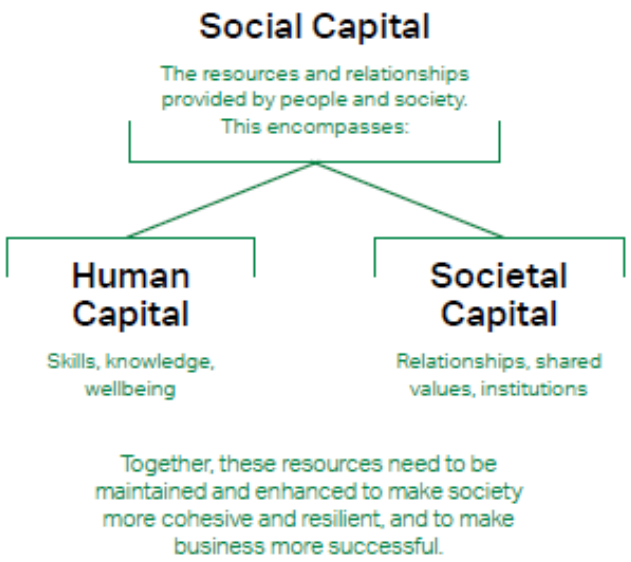
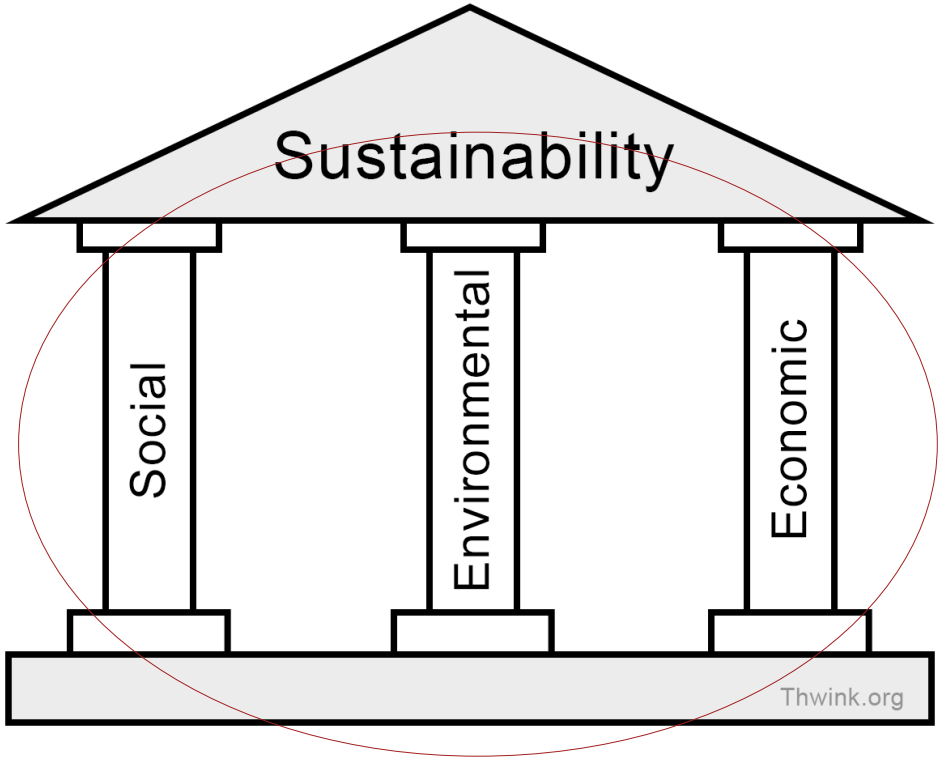


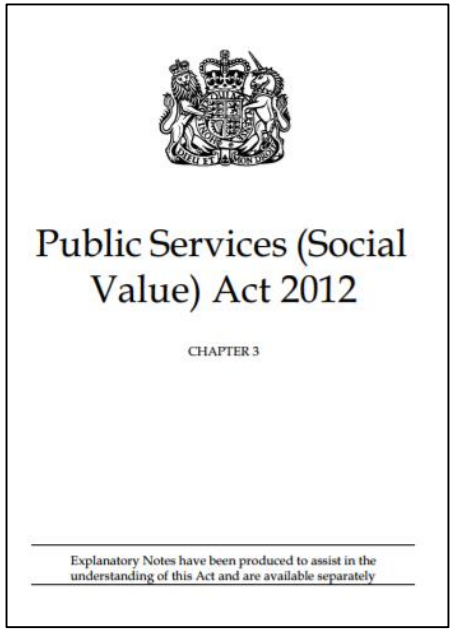
Figure 3: What is social capital?



- Intellectual
- Human
- Social & relationship

Social

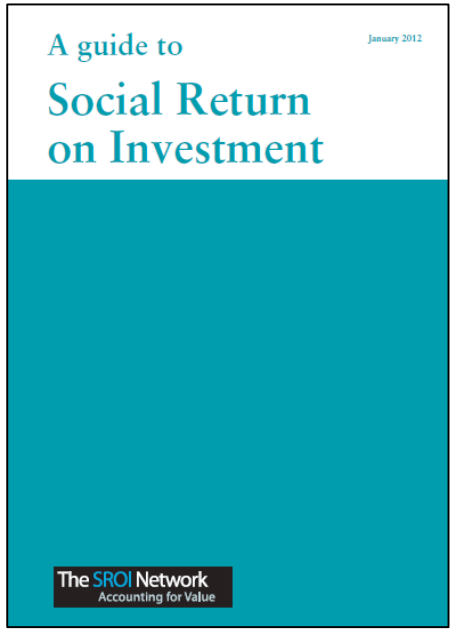




Public Services (Social Value) Act 2012

CHAPTER 3

Explanatory Notes have been produced to assist in the understanding of this Act and are available separately



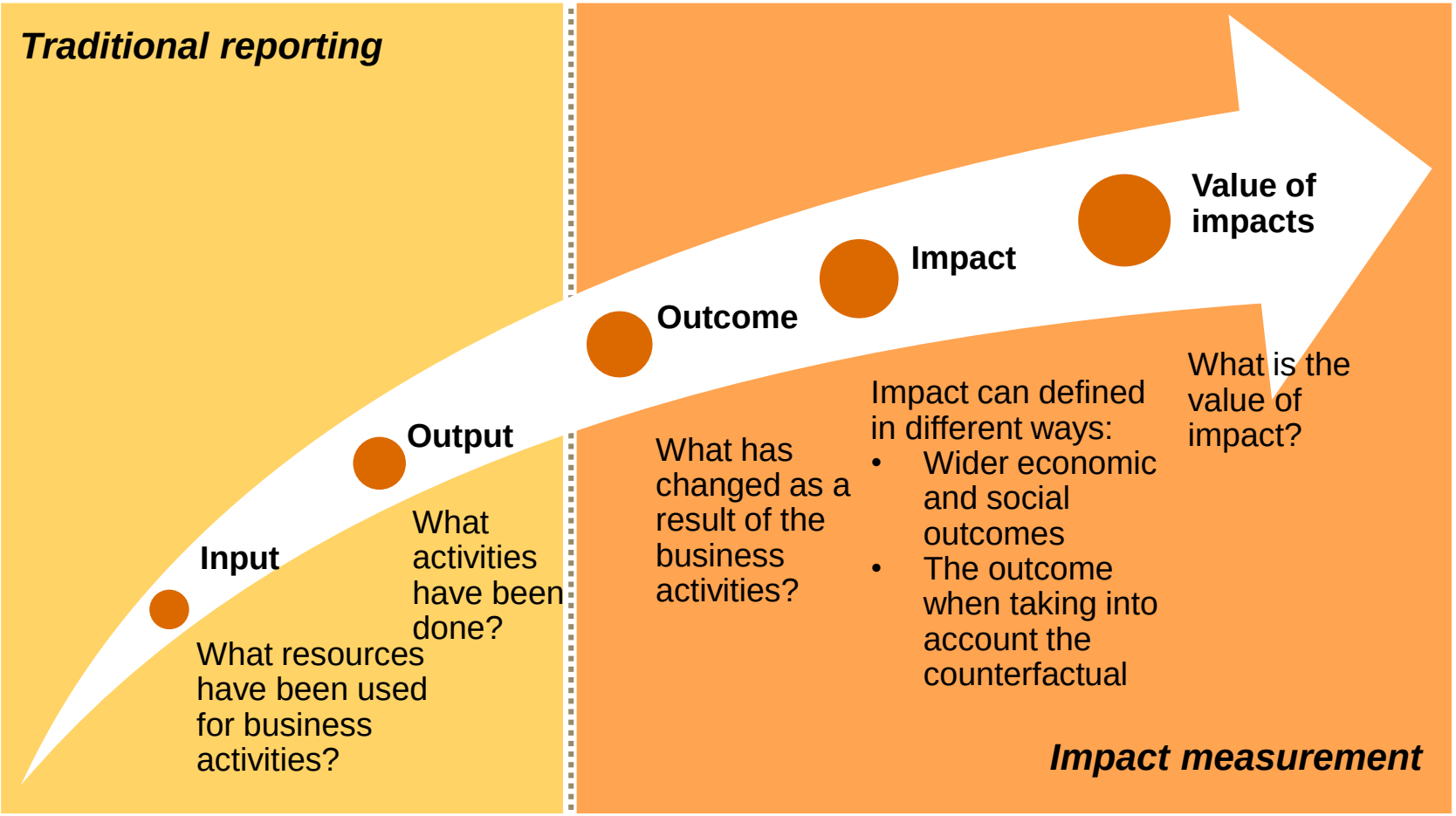
A guide to

Social Return on Investment

January 2012

The SROI Network
Accounting for Value

Impact


Traditional reporting
Input
What resources have been used for business activities?
Output
What activities have been done?
Outcome
What has changed as a result of the business activities?
Impact
Impact can defined in different ways:
• Wider economic and social outcomes
• The outcome when taking into account the counterfactual
Value of impacts
What is the value of impact?
Impact measurement

Valuation

> "The practise of **attributing value** to a diverse set of measures, in order to **compare or aggregate** them"
>
> The Social Capital Protocol (2016) WBCSD

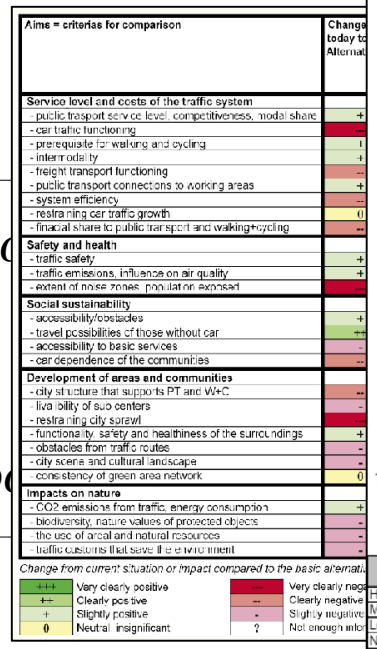
Most impo

…

…

…

Least impo



Aime = criterias for comparison	Change today to Alternat
Service level and costs of the traffic system	
- public trasport service level, competitiveness, modal share	+
- car traffic functioning	--
- prerequisite for walking and cycling	+
- intermodality	+
- freight transport functioning	-
- public transport connections to working areas	+
- system efficiency	-
- restraining car traffic growth	0
- finacial share to public transport and walking+cycling	--
Safety and health	
- traffic safety	+
- traffic emissions, influence on air quality	+
- extent of noise zones, population exposed	--
Social sustainability	
- accessibility/obstacles	+
- travel possibilities of those without car	++
- accessibility to basic services	-
- car dependence of the communities	-
Development of areas and communities	
- city structure that supports PT and W+C	--
- livability of sub centers	-
- restraining city sprawl	--
- functionality, safety and healthiness of the surroundings	+
- obstacles from traffic routes	-
- city scene and cultural landscape	-
- consistency of green area network	0
Impacts on nature	
- CO2 emissions from traffic, energy consumption	+
- biodiversity, nature values of protected objects	-
- the use of areal and natural resources	-
- traffic customs that save the environment	-

Change from current situation or impact compared to the basic alternati

+++	Very clearly positive	---	Very clearly nega
++	Clearly positive	--	Clearly negative
+	Slightly positive	-	Slightly negativ
0	Neutral, insignificant	?	Not enough info

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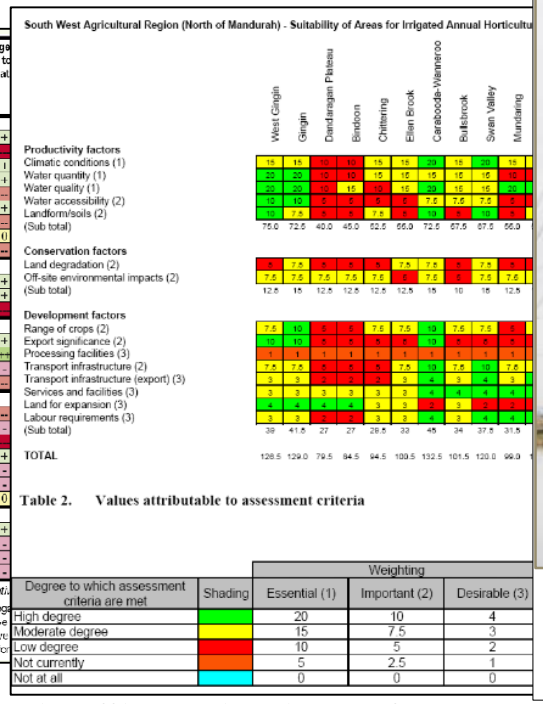


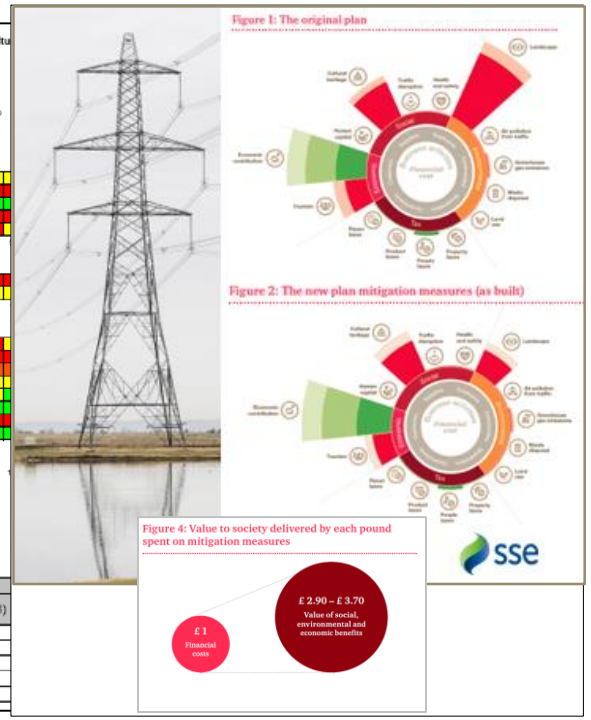
South West Agricultural Region (North of Mandurah) - Suitability of Areas for Irrigated Annual Horticultu

	West Gingin	Gingin	Dandaragan Plateau	Bindoon	Chittering	Ellen Brook	Caraboodo-Wanneroo	Bullsbrook	Swan Valley	Mundaring
Productivity factors										
Climatic conditions (1)	15	15	10	10	15	15	20	15	20	15
Water quantity (1)	20	20	10	15	15	15	15	15	15	15
Water quality (1)	20	20	10	15	15	15	20	15	15	20
Water accessibility (2)	15	15	5	5	5	5	7.5	7.5	7.5	5
Landform/soils (2)	15	7.5	5	5	7.5	5	15	5	15	5
(Sub total)	75.0	72.5	40.0	45.0	52.5	55.0	72.5	57.5	67.5	55.0
Conservation factors										
Land degradation (2)	5	7.5	5	5	5	7.5	7.5	5	7.5	5
Off-site environmental impacts (2)	7.5	7.5	7.5	7.5	7.5	5	7.5	5	7.5	7.5
(Sub total)	12.5	15	12.5	12.5	12.5	12.5	15	10	15	12.5
Development factors										
Range of crops (2)	7.5	10	5	5	7.5	7.5	10	7.5	7.5	5
Export significance (2)	10	10	5	5	5	5	10	5	5	5
Processing facilities (3)	1	1	1	1	1	1	1	1	1	1
Transport infrastructure (2)	7.5	7.5	5	5	5	7.5	10	7.5	10	7.5
Transport infrastructure (export) (3)	3	3	2	2	2	3	4	3	4	3
Services and facilities (3)	3	3	3	3	3	3	4	4	4	4
Land for expansion (3)	4	4	4	4	3	3	2	3	2	2
Labour requirements (3)	3	3	2	2	3	3	4	3	4	4
(Sub total)	39	41.5	27	27	28.5	33	45	34	37.5	31.5
TOTAL	126.5	129.0	79.5	84.5	94.5	109.5	132.5	101.5	120.0	99.0

Table 2. Values attributable to assessment criteria

Degree to which assessment criteria are met	Shading	Weighting: Essential (1)	Important (2)	Desirable (3)
High degree		20	10	4
Moderate degree		15	7.5	3
Low degree		10	5	2
Not currently		5	2.5	1
Not at all		0	0	0

https://ikininmonth.wordpress.com/category/environmental-planning-2/multi-criteria-analysis-mca/



http://www.pwc.co.uk/services/sustainability-climate-change/total-impact/accounting-for-the-impact-of-capital-projects.html

So what's 'best practice'??

How do you value social impacts?

What is PwC's TIMM framework?

Total	A **holistic view** of social, environmental, fiscal and economic dimensions – the big picture
Impact	Look beyond inputs and outputs to **outcomes** and impacts – understand your footprint
Measurement	Quantify and **monetise** the impacts – value in a language business understands
Management	Evaluate options and **optimise** trade-offs – make better decisions

What is PwC's TIMM framework?

Takes these.... → and expressed them *all* in these...

PPM of PM2.5

Tonnes of Waste

CO_2

Kg of Pb

Environmental impacts

$KgSO_x$

$kgNO_x$

Acres of **Land**

Hrs. Traffic Disruption

Social impacts

No. apprentices

Health & Safety incidents

#

Landscapes

Archaeological sites

Payroll

Investment

Economic impacts

GVA

Profits

Tourism

Environmental taxes

Production taxes

Tax impacts

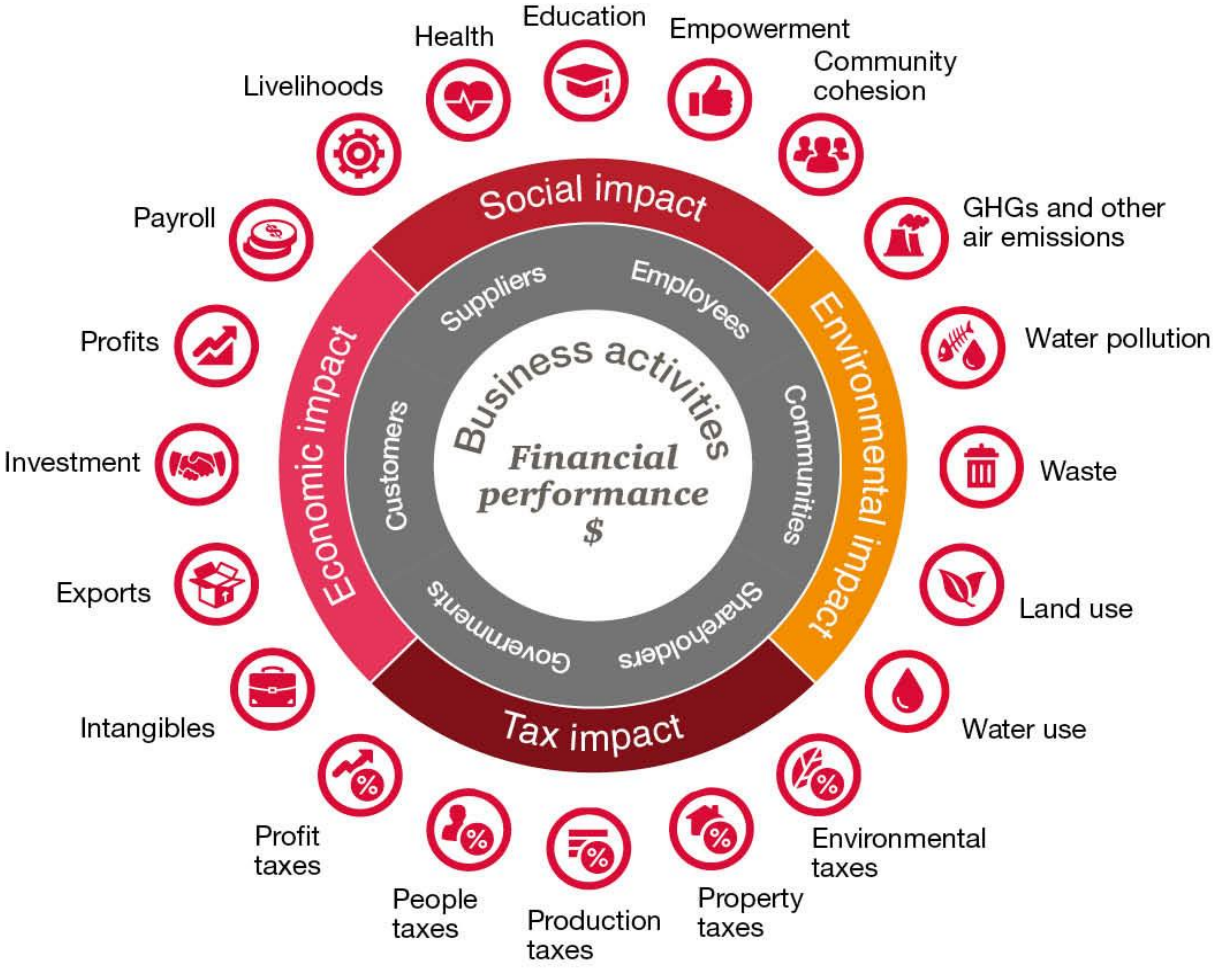
Property taxes

People taxes

Profit taxes

£

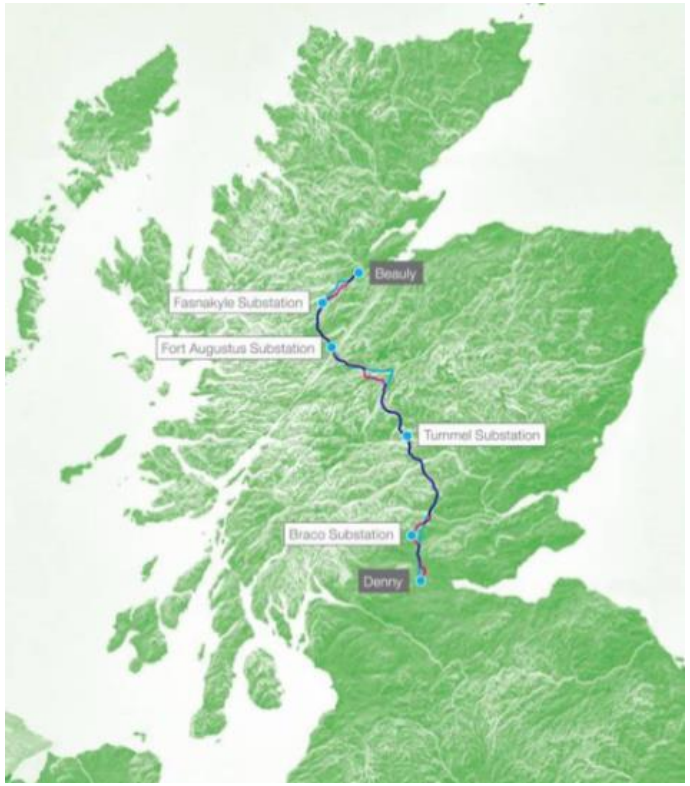
What is PwC's TIMM framework?



Valuing social impacts from transmission infrastructure: SHE Transmission

Valuing impacts for SHE Transmission

The Beauly-Denny line upgrade



132 kV lines

400 kV lines

220 km of line being upgraded

600 new towers replacing over 1,000 old ones

£500+ million being spent by SSE on the project

Valuing impacts for SHE Transmission

The challenge

September 2005	SHE Transmission apply for planning permission
August 2006	Referred to public enquiry
February - December 2007	Public enquiry takes place – over 17,000 objections received (more than 99% citing landscape impacts)
January 2010	Planning permission granted with conditions ('consent conditions')

5 years to get planning consent… and with extra conditions…

How else to engage with planning & regulatory process?

Were the consent conditions 'worth it'?

Valuing impacts for SHE Transmission

What we did

<u>Existing data from:</u>

- Environmental Impact Assessment
- SHE Transmission
- UK & EU Governments
- Academic literature

<u>New data from:</u>

- Focus Groups
- Surveys (5,500 respondents)

Total Impact Measurement & Management

(TIMM) pwc

£

Environmental impacts

Social impacts

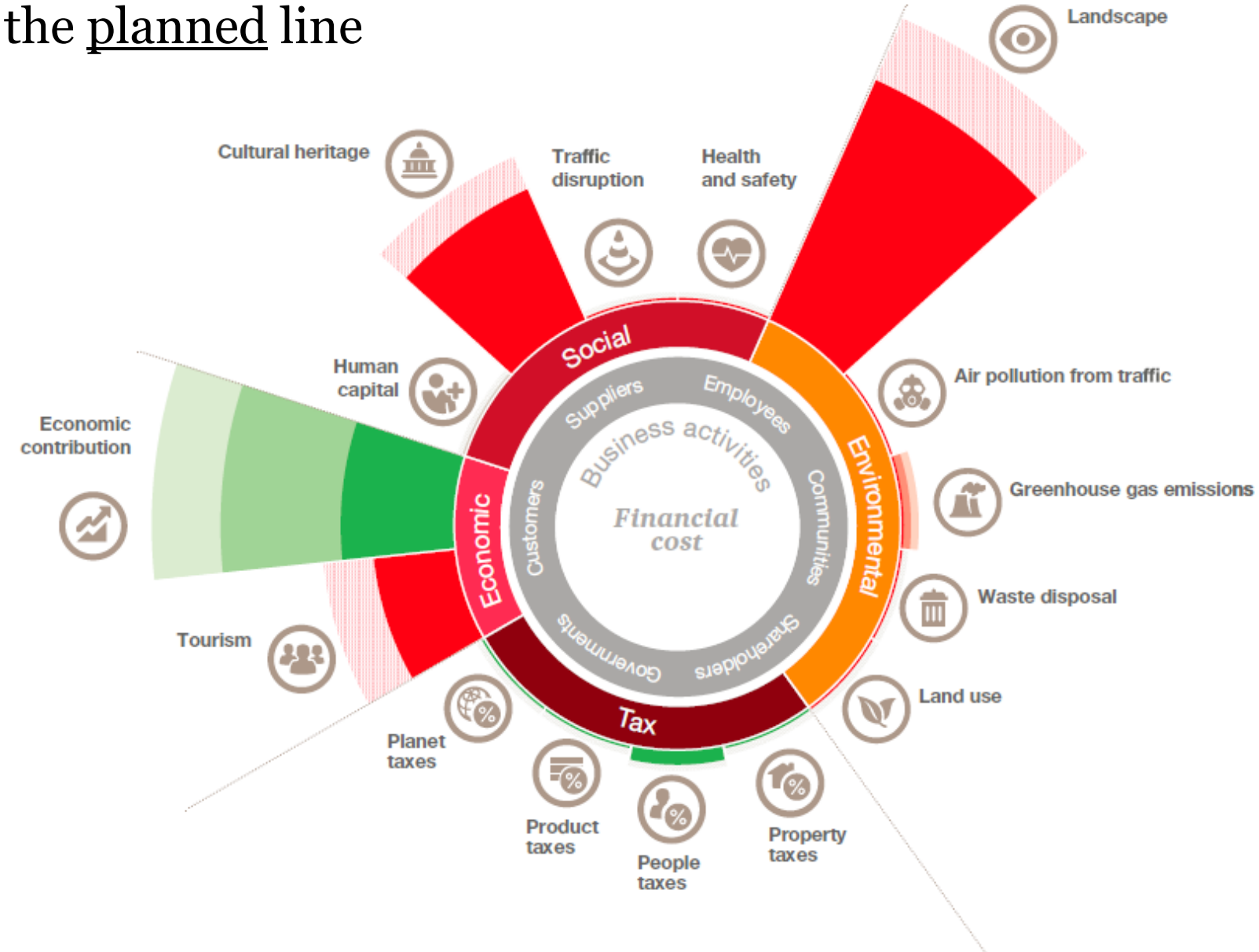
Economic impacts

Tax impacts

Input and review by Advisory Panel of academics, government and civil society stakeholders

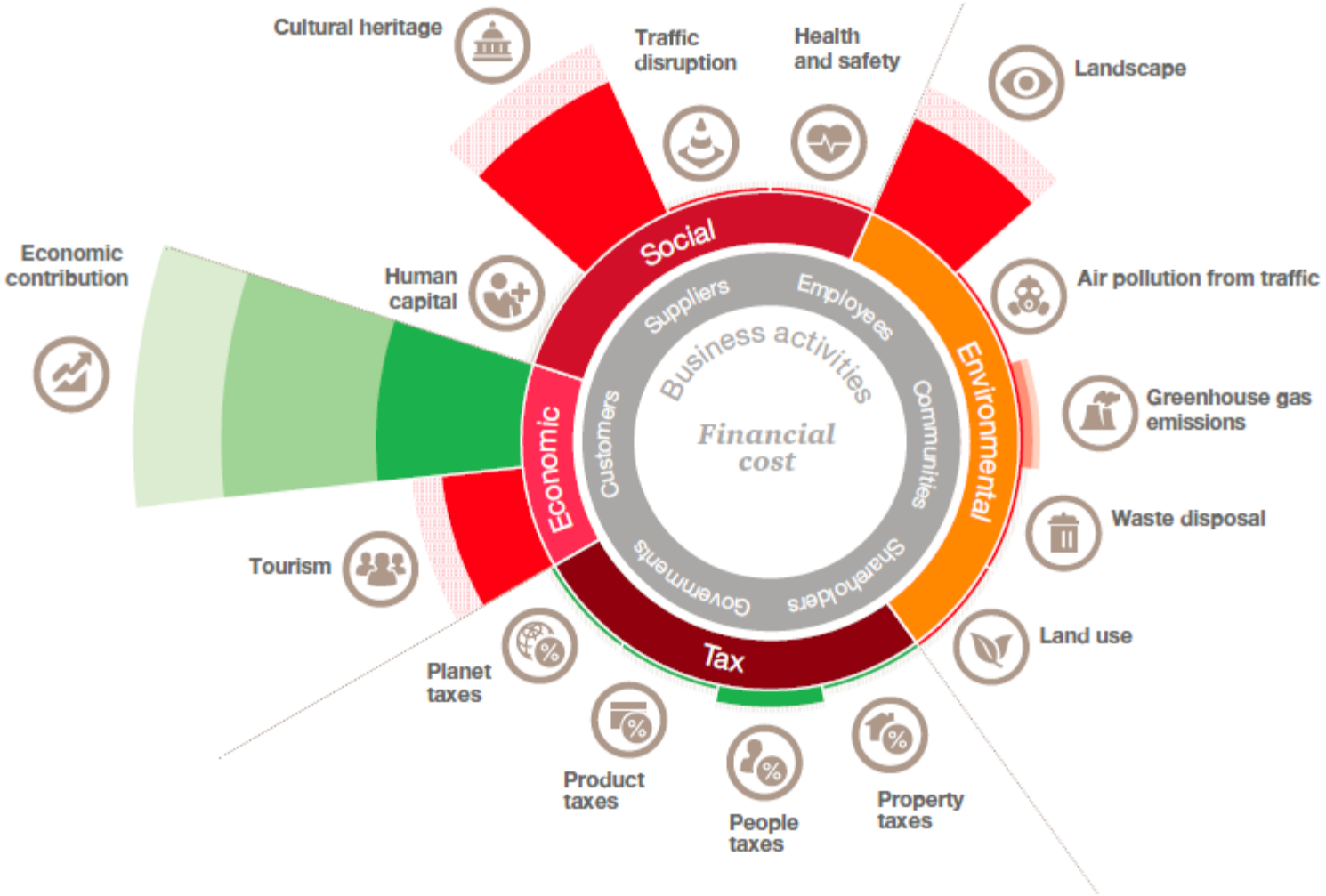
Total Impact Measurement & Management

Impact of the planned line



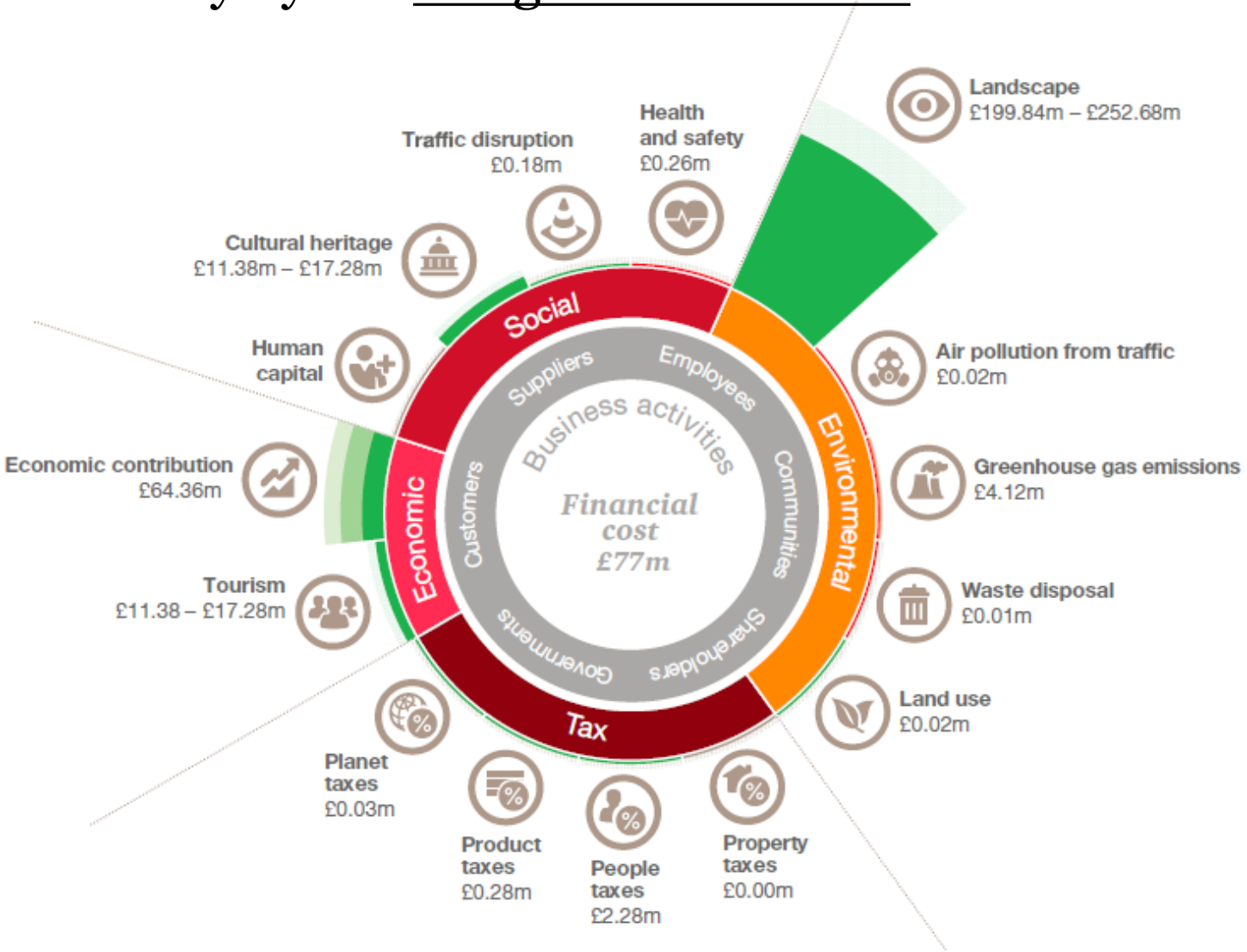
Total Impact Measurement & Management

Impact of the line that was built



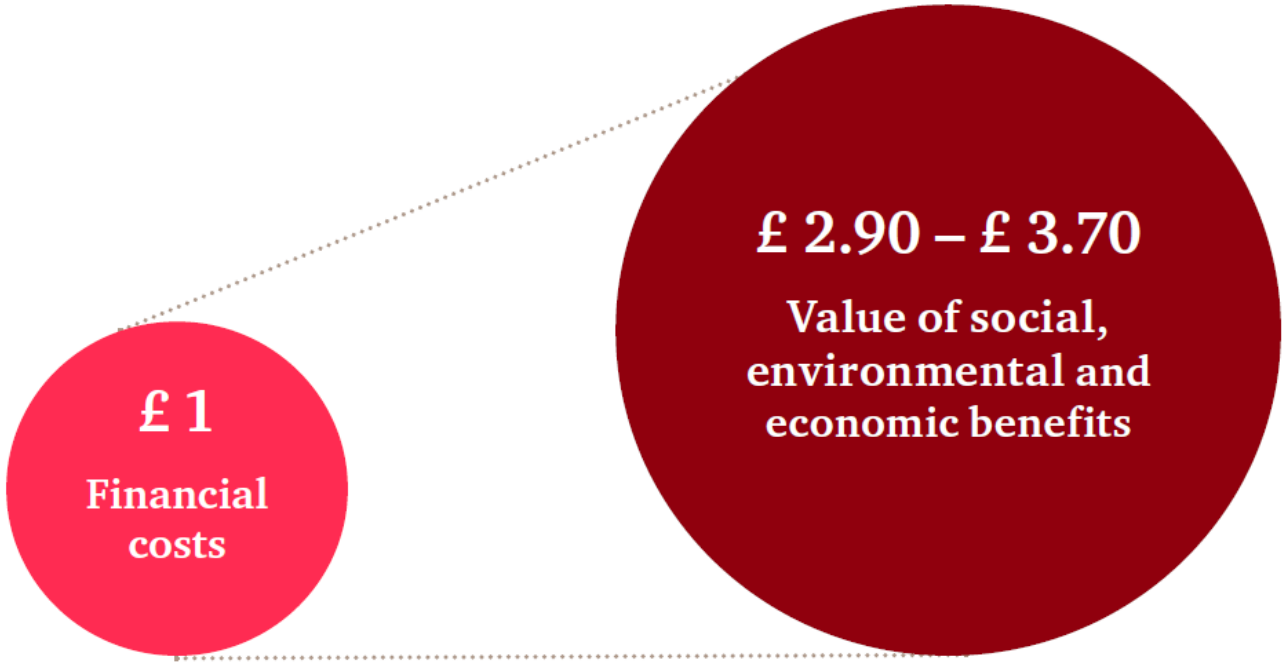
Total Impact Measurement & Management

Value created for society by the mitigation measures



Total Impact Measurement & Management

Value created for every pound spent on mitigation measures



So what are the benefits of doing all this ?

Benefits to Network Operators

- Communicate impacts to key stakeholders (regulator and wider public).
- Enhance internal project planning.
- Work through the planning system with greater efficiency for key infrastructure projects.
- Contribute faster to a lower carbon energy network.

Overall, build infrastructure that is economically efficient while making sure negative impacts are minimised and positive impacts maximised for both the environment and society.

Scottish and Southern Energy
Power Distribution

http://www.smarternetworks.org/Files/Sustainable_Commercial_Model_for_Networks_150806094109.pdf

Thank you!

If you would like to find out more about measuring your social impact and using the results to manage your business, please contact:

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