



Measuring Social Value: the Logic Model of the Welfare Fund

Dundee City Council wanted to assess the wider social value of the Welfare Fund, and the way it is delivered. The first step was to develop a robust and informed ‘Logic Model’ that identified the expected outcomes from the procurement of services from the three Welfare Fund providers.



Background

From April 2013 the Social Fund, administered by the Department for Work and Pensions (DWP) was replaced by the Scottish Welfare Fund (SWF), a discretionary scheme administered by Local Authorities.

The Scottish Government views the SWF as a key measure to protect the most vulnerable citizens against the consequences of the Welfare Reform agenda and has provided additional funding

Dundee City Council (DCC) delivers the SWF for Dundee mainly through a contract with three local suppliers that deliver furniture, electronic appliances, white goods and carpets directly to applicants:

- Dovetail Enterprises – a social firm and supported enterprise that provides employment to people with visual impairments and other disabilities. They are a supplier of furniture items and starter packs
- Clean Carpet Company – a social enterprise, part of the Clean Close Company, provides training and employment to disadvantaged people. Clean Carpet is a supplier and fitter of carpets and vinyl to the Welfare Fund.
- Edmundson Electrical – a supplier of electronic appliances and white goods

The SWF provides two types of grants to vulnerable members of the local community:

- Crisis Grants – aimed at those experiencing a disaster or an emergency.
- Community Care Grants - aimed to enable independent living or continued independent living: to help people avoid entering care; support people leaving care to set up their own home; or help families facing exceptional pressures.

Applicants apply to the Welfare Fund via DCC, who then, if the application is approved, place a purchase order for the delivery of goods from the suppliers.

DCC undertook a robust social value assessment to determine the wider social value of the Welfare Fund.

Scope and focus

The first step for DCC was to develop a clear and robust Logic Model or Theory of Change¹ that links input – output –outcomes and impact. With support from the Ready for Business team the Council carried out a social value Logic Modelling exercise of the service during February and March 2014.

¹ Although there are differences between Logic Model and Theory of Change, these are generally used interchangeably.

A Logic Model is a (visual) description of the logical relationships between the input, activities, outputs and outcomes of a programme.

The purpose of the social value assessment was to:

- Clearly evidence the outcomes for families and young people who engaged with the service.
- Inform future working methods and strategic planning for the service.
- Enable staff to understand the value of the work that they are doing.

This case study examines the process of developing the Logic Model and the learning that has arisen.

Implementation

Ready for Business delivered a workshop for representatives of DCC Procurement staff, other DCC staff involved with the delivery of the Welfare Fund and the three suppliers: Dovetail Enterprises, Clean Carpet Company and Edmundson Electrical.

The workshop provided an overview of the principles and process of calculating social value and the Logic Modelling and included a number of group exercises to:

- determine the material stakeholders;
- forecast the material outcomes for these stakeholders;
- identify suitable outcome indicators; and
- develop a Logic Model.

Analysis of the workshop responses was undertaken and, combined with some additional research, has resulted in a clear Logic Model and Outcomes Framework that is used to measure the social value created from commissioning the three providers to deliver the Welfare Fund contract.

Key challenges

Carrying out the social value assessment was at times challenging, but ultimately a very rewarding experience for Dundee City Council. Among the challenges evident along the way were:

- **Focussing on the main outcomes.** Materiality is a key element in social value assessment. Materiality, a term stemming from financial accountancy, could be defined as including only those stakeholders and outcomes that are relevant to the service and have a significant potential impact. For the Welfare Fund this meant that there were a number of stakeholders and outcomes that have been excluded.
- **Aligning the perspectives of the different stakeholders.** The Council and the providers came to the workshop with their own perspectives and their own understanding of the impact of the fund to the clients. By focussing on the outcomes for the clients an agreed Logic Model was developed.
- **Identifying appropriate indicators.** An outcome indicator allows performance, impact and change to be measured. It tells us how we know that an outcome has been achieved. Without outcome indicators it is not possible to produce a quantitative analysis of the outcomes achieved. For the Welfare Fund appropriate outcome indicators were developed.

These challenges proved to be useful learning experiences for the Council when considering more efficient ways to embed social value assessment in service monitoring.

Outcomes

DCC was able to identify the main (material) stakeholders:

1. Applicants – people ‘in need’ who apply to the Welfare Fund for a Crisis Grant or Community Care Grant, who were successful and received goods or services supplied by one of the three suppliers. This includes family members that live with the applicant.
2. Families – family members or carers of the applicants that do not live in the same home as the applicant.
3. Suppliers – the three suppliers to the Welfare Fund: Dovetail Enterprises, Clean Carpet Company, and Edmundson Electrical.

The social value assessment identified a number of important outcomes from the service.

Applicants

Increased independence – Many applicants are heavily dependent on support, welfare systems and other members of their extended family. The Welfare Fund support enables applicants to ‘get their home into a liveable condition’, helps to reduce stress and enables applicants to concentrate on other areas of their lives (e.g. employment, training, health, etc.). This will make them less dependent on external support and will increase their chances of achieving an independent lifestyle.

Increased financial stability /reduced poverty – It is known that for some people living in poverty the only option is to rely on pay-day lenders and loan sharks to buy furniture, appliances and carpets. This gets them into a position of spiralling debts and financial difficulties. The Welfare Fund can offer an alternative by signposting applicants to debt advice and benefit maximisation services. This helps them to break the cycle of debt.

Sustained tenancy / reduced chance of homelessness – The support provided by the Welfare Fund can potentially help applicants to sustain their tenancy.

Improved health due to an improved living environment – Unfurnished homes tend to be cold and expensive to heat which has a negative influence on health. In many cases suppliers to the Welfare Fund come across unsafe gas and electricity situations, which they either sort out or contact another agency to remedy. Because of the Welfare Fund, support homes become warmer and safer which has a positive influence on people’s physical and mental health.

Increased self-esteem / reduced stigma – Having a home without proper furniture and carpets can make people feel unvalued and decreases their self-esteem. The Welfare Fund support helps applicants to get their homes in order and increases their morale.

Improved social life – A poorly furnished home can lead to social isolation. Support from the

Welfare Fund can assist people to have a warm, safe and comfortable environment. .

Family

Reduced need to support the applicant – In many cases applicants rely on their extended family for support. This can be either financial or in-kind. The Welfare Fund reduces the need for family members to provide this extra support.

Suppliers

Increased understanding of the issues of poverty and deprivation – Delivering the Welfare Fund brings the staff of the suppliers in direct contact with vulnerable, disadvantaged people living in deprived areas, who may not be their usual clientele. This increases their understanding of the issues that some less fortunate people have to deal with, and challenges perceptions that clients are somehow at fault and responsible for their situation.

Reduced motivation – The staff of some suppliers are not usually on high wages and sometimes struggle themselves to make ends meet. Seeing all the support that clients, who are unemployed get whilst they themselves are working, can have a negative influence on their motivation. This is a negative outcome of the Fund.

DCC has learned from the process that through constructive dialogue with providers a clear Logic Model can be agreed.

Critical success factors

There were a number of critical factors that enabled Dundee City Council to make good use of Logic Modelling as a first step to measuring social value.

Critical success factors included:

- **A distinct service.** The decision to examine the Welfare Fund offered a well-defined contract with a limited number of providers. This made it relatively straightforward to identify stakeholders and outcomes.
- **A learning experience.** Dundee City Council and the Welfare Fund providers treated the exercise as

a genuine learning experience without any preconceived ideas of its findings.

- **Commitment from all partners.** Both the Council and the providers invested time and effort in developing the Theory of Change.
- **Ready for Business support.** The technical expertise and the support from Ready for Business in designing and facilitating the workshop and producing the Outcomes Framework, was instrumental in completing the project.

Future ambitions

There are a number of next steps Dundee City Council will undertake to complete the social value assessment.

Stakeholder Consultation

The Council is committed to undertake a consultation exercise with the Welfare Fund clients to evidence the prevalence of outcomes.

The consultation results will provide the Council with:

- A validation of the materiality (relevance and significance) of the outcomes in the Framework to the applicants.
- Identification of any unidentified or unintended outcomes.
- Prevalence of the outcomes, which, if sample is sufficiently large, can then be used to extrapolate to the total population at the end of the measuring period.
- A validation of the outcome indicators.
- Additional or better outcome indicators.
- Data to establish deadweight (what would have happened anyway, even if the Welfare Fund did not exist) and attribution (who else has contributed to achieve the outcomes).

Valuation of the outcomes

It will be useful for DCC to get an understanding of the monetary value that is created by the Welfare Fund. Therefore it plans to value the impact of the fund using financial proxies.

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