

Community Empowerment (Scotland) Act 2015: Asset Transfer Guidance for Considering Social Value

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1. Introduction

1.1 Ownership or control of land and buildings is a powerful tool for communities to drive change and achieve their own goals. In the first place it provides a base for activities and services that might not otherwise be accessible to members of a particular community, and can provide jobs, training and bring income to the local area. More widely, it can provide stability and sustainability for the community organisation, allowing them to develop new initiatives and support other developing groups, and it can create a stronger sense of community identity, cohesion and involvement.

1.2 The Community Empowerment (Scotland) Act 2015 introduced a right for community bodies to make requests to all local authorities, Scottish Ministers and a wide-ranging list of public bodies, for any land or buildings they feel they could make better use of. Community bodies can request ownership, lease or other rights, as they wish. The Act requires those public authorities to assess requests transparently against a specified list of criteria, and to agree the request unless there are reasonable grounds for refusal.

1.3 The Community Empowerment (Scotland) Act 2015 does not say how much should be paid to purchase an asset using asset transfer legislation, whether it should be at market value or at a discount. In submitting an asset transfer request, the community transfer body has to state how much they are prepared to pay, alongside the benefits the project will deliver, and the relevant authority has to decide whether to accept that price. This can be challenging for both the community transfer body, and also the relevant authority. Relevant authorities must consider social value as part of their overall asset transfer request assessment, including when considering the price offered.

1.4 The Scottish Government is unable to direct relevant authorities to a specific approach, tool, or technique to use when considering social value in the asset transfer context, however it is widely understood that these decisions can be difficult to make. This has also been acknowledged by Audit Scotland, who have carried out their own work on community empowerment, and along with other scrutiny bodies produced a [Principles for community empowerment](#) document (published July 2019) which although aimed at scrutiny bodies also provides relevant authorities with a shared framework of what good community empowerment looks like.

1.5 There is no requirement to obtain a valuation for the purposes of the Act, however, both the relevant authority and the community transfer body are likely to need to understand the "market value" of the asset, for accounting, borrowing or funding purposes, and to ensure transparency about the amount of any reduction from market value.

1.6 The question of calculating social value has been raised regularly over the years, and in the asset transfer context has been identified through a number of sources including the [Glasgow Caledonian University Three Year Evaluation Report](#) on asset transfer activity in Scotland; the findings of the Scottish Parliament Local Government and Communities Committee Report: [Community Empowerment: Taking Stock of Participation Requests and Asset Transfers Four Years On](#) ; and an evident theme of the sessions of the [National Asset Transfer Action Group](#).

2. Status of this Guidance

2.1 Part 5 of the Community Empowerment (Scotland) Act 2015 and its Regulations came into force on 23 January 2017. The legislation can be accessed here: [Community Empowerment \(Scotland\) Act 2015](#)

2.2 This document constitutes guidance for relevant authorities when considering calculating price, valuation, and any discounts for asset transfer request applications, and is complementary to Scottish Government guidance for relevant authorities which can be accessed here: [asset transfer guidance for authorities](#)

2.3 This guidance has been informed by discussions of the [National Asset Transfer Action Group](#); the [Community Ownership Support Service](#); and various stakeholders, Scottish Government policy leads, community organisations and relevant authorities.

PART 1: Understanding Social Value

3. Social Value

3.1 Social value is concerned with the use of evidence by assigning a monetary value to social impact. It is underpinned by understanding social, economic and environmental impact including evidencing the value this creates for people, communities, businesses and economies (summarised from the Public Services (Social Value) Act 2012).

3.2 Community benefits clauses have been considered as part of public service arrangements in Scotland for some time, and legislation was created by the implementation of the Procurement Reform (Scotland) Act 2014, which, like its English equivalent, the Public Services (Social Value) Act 2012, places an obligation on public sector bodies to seek best value while awarding contracts including transferring assets.

3.3 Social Value UK, a professional body for social value and impact management, defines social impact as “changes in people’s lives caused by an activity” and social value as “a way of quantifying the relative importance of these impacts that are not already captured in financial or market transactions”. Social Value UK

3.4 Various methodologies have been developed over the years to help quantify social value results. There are a range of methods available for measuring social value and the Scottish Government has engaged with those behind the various forms of social impact measurement over a long period of time.

4. Methodologies, Tools, and Approaches for Calculating Social Value

4.1 The Scottish Government Enterprising Third Sector Action Plan (2008-2011) outlined the plan to ‘support the development of a measure combining the qualitative social impact measurement of social auditing with the quantitative assessment of Social Return On Investment (SROI)’. This work was taken forward by a consortium led by Forth Sector and the SROI network and their final report can be found here: Forth Sector SROI Impact Report

4.2 The report found that in Scotland, partners tested SROI methodology in practice with a large set of diverse organisations, exploring the issues they faced. Development work also took place to explore the potential for using SROI as a “predictor” of future social return. Discussions were also held with investors to explore their thoughts and considerations in terms of using SROI in the longer term. The report set out a series of key lessons learned, practical guidance on using and developing SROI analyses, and recommendations for future work in this area.

4.3 The report concluded that there was clear potential to develop a consistent approach to measuring social impact achieved by social enterprises and other third sector organisations, and that SROI could form part of a long-term response to this challenge.

4.4 The UK Government's Office of the Third Sector and the Scottish Government commissioned a project beginning in 2007 that continued to develop guidelines that allow social businesses seeking government grants to account for their impact using a consistent, verifiable method. This resulted in another formal revision to the method, produced by a consortium led by the Social Value UK and published in their 2009 Guide: A Guide to Social Return On Investment

4.5 The guide was written for organisations that want to measure and analyse the social, environmental and economic value being generated by their activities. It explained what SROI is; including what purpose it can serve, what type of organisation can use it, and what skills are required to do an SROI analysis.

4.6 Further developments in Scotland and the UK led to an agreement between Social Value International and Social Value UK on core SROI principles. These are:

- Involve stakeholders.
- Understand what changes.
- Value the things that matter.
- Only include what is material.
- Do not over-claim.
- Be transparent.
- Verify the result.

PART 2: Social Value in Asset Transfer

5. Asset Transfer Decision Making Process

5.1 Part 5 of the Community Empowerment (Scotland) Act 2015 allows a community transfer body to make an asset transfer request to a relevant authority. A request can be made in relation to any land or building which is owned or leased by the relevant authority. The community transfer body can ask to buy or lease the land, or to have other rights, for example to occupy or use the land for a particular purpose. There is a process for the relevant authority to acknowledge the request, notify others who may be interested, and allow them to make representations, which is explained in full in [chapter 9](#) of our published statutory guidance for relevant authorities.

5.2 When the price offered in an asset transfer request is less than the market value of the property, the relevant authority will need to consider whether the proposed benefits to be delivered by the community transfer body justify the proposed discount (which will be accounted for as a "gift"). This will be based solely on the analysis of the information included in the request. The benefits of the request should be proportionate to the value of the asset and the level of discount, with an appropriate level of information to support the application. Any decision to transfer an asset must represent good use of public resources.

6. Relevant Authority Requirements to Secure Best Value

6.1 In terms of asset transfer, all relevant authorities have a duty to secure Best Value in their operations, including when disposing of or letting property. It has long been recognised that best value does not always mean the highest possible price, and all authorities have the ability to dispose of property at less than market value where there are wider public benefits to be gained.

6.2 This is set out in the [Disposal of Land by Local Authorities \(Scotland\) 2010 Regulations](#) and in the [Scottish Public Finance Manual](#) for other relevant authorities. It is a question of balancing the financial and non-financial impacts, both positive and negative, of the different options.

7. Price and Financial Considerations

7.1 The Community Empowerment (Scotland) Act 2015 does not say how much should be paid to purchase an asset or in rent, whether it should be at market value or at a discount. The community transfer body has to state in the asset transfer request how much they are prepared to pay, alongside the benefits the project will deliver, and the relevant authority has to decide whether to accept that price.

7.2 When the price offered in an asset transfer request is less than the market value of the property, the relevant authority will need to consider whether the proposed benefits to be delivered by the community transfer body justify the proposed discount. The benefits of the request should be proportionate to the value of the asset and the level of discount, with an appropriate level of information to support the application. Any decision to transfer an asset must represent good use of public resources.

7.3 The likely price of the asset is something the community transfer body will need to consider at an early stage in developing its proposals, along with the initial and ongoing costs of the project. It will be helpful for relevant authorities to give an indication of their expectations in terms of price at an early stage in discussions, if possible.

7.4 Community transfer bodies should not assume that asset transfers will be at a nominal sum. They can get support from various organisations including the Community Ownership Support Service (COSS), the relevant authority concerned with the asset transfer, and local third sector service provision in working out what price to offer. Each asset transfer application is individual and will require a tailored approach to calculating and agreeing price. Links to support can be found at chapter 14 of this guidance.

7.5 When the price offered in an asset transfer request is less than the market value of the property, the relevant authority will need to consider whether the proposed benefits to be delivered by the community transfer body justify the proposed discount (which will be accounted for as a "gift"). This will be based solely on the analysis of the information included in the request. Statutory guidance for relevant authorities outlines ways to do this at [chapter 13.7](#).

7.6 Asset transfer at less than market value is justified when these additional benefits empower communities and align with local and national priorities to enable the delivery of 'best value' across the public sector as a whole. Such benefits are likely to align with one or more of the [Scottish Government's National Outcomes](#) , which all Scottish public authorities are required to have regard to in carrying out their functions (under Part 1 of the Community Empowerment (Scotland) Act 2015).

8. Conditionality

8.1 In the case of asset transfer to community bodies, disposal at less than market value, or with other support or concessions, may be justified by reference to the expected benefits to be delivered by the project. In that situation, relevant authorities sometimes seek to protect themselves against the risk that the benefits may not be delivered by including clauses in the contract requiring some form of restitution if the project fails.

8.2 It is for relevant authorities to determine whether it is appropriate to include such conditions in the contract (and for community transfer bodies to decide whether to accept the transfer on those terms). The use of conditions by relevant authorities to protect risk should be done in an appropriate, considered, and proportionate way. This form of protection may be supplemented by maintaining relationships with the community transfer body and supporting it to develop its capacity and deliver the project effectively.

8.3 Any conditions which the relevant authority proposes to impose to protect discount should be included in the decision notice, in sufficient detail that the community transfer body is able to decide whether they are acceptable or not. As a result, the community transfer body could seek to challenge them through the review and appeal process.

8.4 Where ownership of the asset is transferred, the main ways of protecting the discount are:

- where a reduced price was agreed in recognition of the benefits to be delivered, the community body may be required to repay the difference in price if the benefits are not delivered.
- where the price was based on a lower valuation for a particular use, conditions may be imposed to return any increase in value to the authority, if the use of the property is changed or the expected benefits are not delivered.
- where the community transfer body subsequently disposes of the asset at a point in the future for a value in excess of that paid, the community body may be required to repay the difference, or a proportion of this, to the relevant authority.

- if the property itself is important to the community, for example due to its heritage or location, arrangements may be made to enable the authority to recover the property if it is no longer used by the community body for the agreed purpose (or the community body is wound up).

8.5 Relevant authorities and community transfer bodies should agree clearly on the benefits of the asset transfer request that are to be delivered, and how, when, and by whom this is to be assessed.

9. Discounts and Proportionality

9.1 Any mechanisms used to protect the relevant authority's interest must be appropriate and proportionate. Excessive requirements for repayment or conditions on development or change of use could make a project unviable, or restrict the ability of the community transfer body to increase its capacity and develop new projects over time. Proportionality should take into account:

- the value of the concession granted
- the scale of the authority's contribution within the overall project, and
- the time within which benefits are expected to be delivered.

9.2 In some cases the contribution provided by funding bodies may be substantially greater than the value of the concession granted by the relevant authority, or even greater than the value of the property, especially when there is significant redevelopment or new-build planned. Any mechanisms used should therefore recognise the scale of the relevant authority's interest within the overall project.

9.3 It is therefore important that the relevant authority establishes funding arrangements are in place with the community transfer body at the earliest opportunity, and ideally before a final asset transfer is agreed where this is possible, ensuring that robust steps have been taken by the community transfer body to secure funding, the breakdown and levels of this funding, and what clauses (if any) the funders have placed on these arrangements. Some funding arrangements cannot be made prior to an asset transfer agreement, for example when accessing the Scottish Land Fund who cannot consider acquisition funding in advance of a decision notice.

9.4 The duration of the protection mechanism should reflect the amount of discount compared to the expected benefits. It may be appropriate for the amount to be returned to reduce over the period within which the benefits are expected to be delivered. Any mechanism which restricts the use of the property should take account of the community body's need to develop in the longer term; for example, it should not last longer than the expected remaining life of a building which is transferred.

9.5 Authorities must also consider the level of risk that the benefits will not be delivered, and how effective the chosen mechanism is likely to be in enabling the authority to recover its investment. If the risk of non-delivery is considered to be particularly high, it may be necessary to revisit the decision to agree the asset transfer request. (Any conditions on the transfer should be included in the Decision Notice, and therefore considered before the decision to agree the request is final.) The community body may need to provide more assurance of its ability to deliver, or more support may need to be provided. In the case of a project failure where it is not possible to recover the full amount funded, a robust, documented process will help to show that the initial decision was taken appropriately.

9.6 A range of legal mechanisms are used by authorities seeking to protect their interests, including standard securities, and minutes of agreement, which may contain a range of provisions and be linked to standard securities. Some relevant authorities also have powers to create certain types of real burden on title, under the Title Conditions (Scotland) Act 2003. A different range of options will be needed to reflect the individual circumstances of each case.

9.7 Relevant authorities seeking to create real burden should consider carefully whether it will be appropriate and effective in line with asset transfer legislative requirements, and also the aspirations of the Community Empowerment (Scotland) Act 2015. Guidance for creating real burdens is available from Registers of Scotland.

PART 3: Best Value

10. Calculating Best Value

10.1 A way to demonstrate resources are being put to good use is to demonstrate best value. Best value is the requirement to make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between effectiveness and economy. It also requires due regard to equal opportunities requirements, and to contribute to the achievement of sustainable development.

10.2 In making a case for the transfer of an asset, the Seven Best Value Themes will be evident, to a greater or lesser extent, in the community transfer body and the related benefits that will result in pursuing positive outcomes for a more prosperous and fairer Scotland. The Seven Best Value Themes (highlighted in section 13.3 of statutory guidance for relevant authorities) which relevant authorities must consider are:

- Economic development
- Regeneration
- Public health
- Social wellbeing
- Environmental wellbeing
- Reducing inequalities of outcome from socio-economic disadvantage
- Any other benefits that might arise through the alternative use of the asset.

10.3 Asset transfer at less than market value is justified when these additional benefits empower communities and align with local and national priorities to enable the delivery of best value across the public sector as a whole. Such benefits are likely to align with one or more of the Scottish Government's National Outcomes, which all Scottish public authorities are required to have regard to in carrying out their functions under Part 1 of the Community Empowerment (Scotland) Act 2015 (Part 1: National Outcomes).

10.4 It is recognised that measuring the value derived from community activity is not straightforward, especially for qualitative outcomes which may only be apparent in the long term, or cannot be directly attributed to one particular intervention. A number of methodologies have been developed for measuring social impact, including Social Return on Investment, Social Audit and others. They can sometimes be complicated and too onerous to be justified in relation to many community projects, and also all include a degree of subjective judgement at some level, and communities and public authorities may not agree on the value placed on different elements.

10.5 Best value does not always need to make the most difference for the largest number of people. There may be situations where the interests of smaller groups need to be prioritised, even if this generates a lower return on investment. Best value can be demonstrated in many ways including by the difference it makes to a community rather than solely by a simple economic return.

10.6 Methodologies including social return on investment tools can however be a good source of measuring social impact, however it is worth noting that community transfer bodies are also required to forecast their social impact. This can be difficult for groups to do, given their initiative has not yet started and are therefore unable to use many of these tools themselves.

10.7 To assess the asset transfer request relevant authorities should consider evidence provided based on matters including:

i. Value to relevant authority in existing use:

- feasibility and cost of relocation of services elsewhere
- potential revenue savings arising from transfer

National Outcome: Economy: We have a globally competitive, entrepreneurial, inclusive and sustainable economy

ii. Value for alternative use/redevelopment

National Outcome: Economy: We have a globally competitive, entrepreneurial, inclusive and sustainable economy

National Outcome: Communities: We live in communities that are inclusive, empowered, resilient and safe

National Outcome: Culture: We are creative and our vibrant and diverse cultures are expressed and enjoyed widely

iii. Value for proposed and other community purposes

National Outcome: Communities: We live in communities that are inclusive, empowered, resilient and safe

National Outcome: Culture: We are creative and our vibrant and diverse cultures are expressed and enjoyed widely

National Outcome: Health: We are healthy and active

iv. Level of community benefits:

- extent of community served
- nature of benefits to be delivered
- links to relevant authority's corporate priorities and outcomes
- community need/demand for the services

National Outcome: Communities: We live in communities that are inclusive, empowered, resilient and safe

National Outcome: Culture: We are creative and our vibrant and diverse cultures are expressed and enjoyed widely

National Outcome: Health: We are healthy and active

National Outcome: Education: We are well educated, skilled and able to contribute to society

National Outcome: Poverty: We tackle poverty by sharing opportunities, wealth and power more equally

v. Likelihood that benefits will be delivered over a 5-year period:

- strength of organisation
- sustainability of business plan/project
- sources and level of funding support

National Outcome: Economy: We have a globally competitive, entrepreneurial, inclusive and sustainable economy

vi. Impact of project failure:

- to surrounding local environment
- to reputation of the parties
- to the service users
- to relevant authority's objectives

National Outcome: Economy: We have a globally competitive, entrepreneurial, inclusive and sustainable economy

National Outcome: Communities: We live in communities that are inclusive, empowered, resilient and safe

National Outcome: Culture: We are creative and our vibrant and diverse cultures are expressed and enjoyed widely

National Outcome: Poverty: We tackle poverty by sharing opportunities, wealth and power more equally

10.8 Following a detailed review and assessment of the information provided in an asset transfer request, a recommendation can then be made on the strength of the case to the relevant accountable officer. Further guidance on assessing Best Value can be found in chapter 13 of the Scottish Government statutory guidance for relevant authorities: [Scottish Government Statutory Guidance Chapter 13](#)

11. Good Practice

11.1 To help community bodies identify assets that may be available through asset transfer, section 94 of the Community Empowerment (Scotland) Act 2015 requires each relevant authority to establish, maintain and make available a register of land which it owns or leases, "to the best of the authority's knowledge and belief".

11.2 It is for each relevant authority to determine whether a particular property is required to be included in the register, depending on the individual terms of ownership or lease in each case, however the register must be maintained and this information must be accessible to communities. You should consider what additional information could be included in the register to help community bodies understand the status of each property and whether it may be suitable for their needs, without having to make further enquiries.

11.3 As asset transfer requests can be made for any land owned or leased by the relevant authority, you may receive enquiries about land which someone believes is owned or leased by your authority, which is not on your register. You should aim to respond helpfully to such queries, for example signposting if you believe the land is owned by another relevant authority.

11.4 We recommend that community bodies should make contact with the relevant authority as early as possible and there should be an open discussion about the community's objectives and property that may be suitable. The relevant authority should be open about the information it has, including practical knowledge about managing the property, and how other information might be obtained. Most importantly, you should ensure that the community transfer body is aware of any information that is likely to be a significant factor in the authority's decision on the request.

11.5 It is worth remembering that although informal dialogue is encouraged at the earliest opportunity, community transfer bodies are still able to submit an asset transfer request using the legislation without this, and relevant authorities must be prepared. Early engagement should be used as an opportunity to help community groups identify alternative buildings or land in your care if there is good reason as to why they cannot take over their initially requested site.

12. Partnership Support: Collaboration and Monitoring

12.1 Once an asset transfer is agreed in principle with a community transfer body, it would be helpful for the relevant authority to begin working with funders at the earliest opportunity. Working collaboratively with funders early in the process can help with agreeing the final detail of the transfer and lead to a consensual offer with buy in from all parties.

12.2 It will often be helpful for the relevant authority to work directly with funders to agree a balance of legal mechanisms to secure the interests of all those involved. There can be misunderstandings about the requirements of different organisations which are often best clarified by making direct contact. While these discussions are likely to take place between lawyers, community bodies should be reassured that the aim is to produce a better result for them, with fewer overlapping conditions.

12.3 Where any mechanism is put in place, by a relevant authority or a funding organisation, to ensure that benefits are delivered or property is used for a particular purpose, monitoring of those requirements is also essential. If difficulties arise with a project, support may also be necessary to help the community body get back on track.

12.4 Where there are several organisations with similar interests, it may be possible to establish an agreement whereby one partner undertakes monitoring on behalf of all, providing other partners with sufficient confidence to reduce the need to impose multiple protective mechanisms. This would also benefit the community body, in reducing duplication of monitoring.

12.5 In most asset transfer cases, there will be other organisations providing funding to the project in addition to any concession given by the relevant authority. Like relevant authorities, funders have a responsibility to ensure that their grants are used effectively and in accordance with the purpose for which they are granted, and they seek to secure this through a range of legal agreements. Where there are multiple contributors each requiring security for their investment then there is likely to be the need for a ranking agreement so that each party understands its position should the project fail, recognising that such a position may not enable each party to recover in full what it has funded.

12.6 Office of the Scottish Charity Regulator (OSCR) has confirmed that protective mechanisms as described above do not conflict with the requirements for charities. The charity's trustees would need to be satisfied that the arrangements were in the best interests of the charity before agreeing to them. However, on winding up, such arrangements would be dealt with as liabilities or contractual obligations to be settled before any remaining assets are distributed for charitable purposes.

12.7 If the relevant authority has a long-term interest in retaining the property, or does not have the power to sell it, a lease may be appropriate. Long leases (which can be up to 175 years in Scots law) are common for commercial property and may be appropriate for community bodies in such cases. Shorter leases may also be appropriate for a community body that wants to develop its capacity before taking on the responsibilities of ownership. However, relevant authorities should keep in mind the Scottish Government's ambition to increase community ownership, and the fact that key funding programmes may not provide grants for leasing.

13. Conclusion

13.1 Calculating best value for asset transfers can be challenging for relevant authorities, and there will always be an element of subjectivity when coming to a final decision. However, used as part of a wider holistic approach to consider an asset transfer application, consideration of best value including the use of Social Return on Investment (SROI) tools can prove beneficial.

13.2 Using various SROI tools to calculate social value involves applying an evidence-based approach that attaches a monetary value to establish social impact. It therefore has limitations, including the variations to how certain community values are weighted that could change significantly depending on the demographics, interests, priorities, experiences, and present circumstances of stakeholders.

13.3 Attributing a monetary figure to social value should be treated with some caution, as there cannot be a simplistic one-size-fits-all formula to measure subjective values that ultimately require a qualitative approach. Decisions around social value will always include a level of subjectivity, and a formula that puts a price on social values should not be a replacement for decision makers engaging with communities to understand what is valued on a human level and making their judgements on this basis.

13.4 However, SROI tools do have an important role to play and can be an indicator of social value and impact, providing a framework for calculating social value, and contributing to a consistent and measured approach. Their use can form an important part of relevant authorities' overall decision making process as whether to award an asset transfer request to a community transfer body.

14. Further Information and Support

Scottish Government:

Asset Transfer Guidance for Relevant Authorities:

[Community Empowerment \(Scotland\) Act 2015: asset transfer guidance for authorities - gov.scot \(www.gov.scot\)](#)

Asset Transfer Guidance for Community Transfer Bodies:

[Community Empowerment \(Scotland\) Act 2015: community transfer bodies' guidance - gov.scot \(www.gov.scot\)](#)

Community Empowerment (Scotland) Act 2015:

[Community Empowerment \(Scotland\) Act 2015 \(legislation.gov.uk\)](#)

[Title Conditions \(Scotland\) Act 2003 \(legislation.gov.uk\)](#)

National Asset Transfer Action Group:

[National Asset Transfer Action Group - gov.scot \(www.gov.scot\)](#)

Scottish Land Fund:

[Land reform: Scottish Land Fund - gov.scot \(www.gov.scot\)](#)

National Standards for Community Engagement:

[National Standards for Community Engagement](#)

[Audit Scotland:](#)

[Principles for community empowerment](#)

[Community Ownership Support Service:](#)

Guidance for Public Bodies:

[Public Bodies | DTAS Community Ownership Support Service](#)

Guidance on managing risk when considering asset transfers:

[Managing Risk in Asset Transfer Dec 2020 COSS](#)

[Registers of Scotland:](#)

[Guidance for creating real burdens](#)

Annex A

1. Examples of approaches used in Scotland to measure social impact

1.1 The following examples highlight some of the different approaches to calculate social value in the practical setting:

Example 1: NHS

To help inform NHS decision making and effectively allocate its resources, The Young Foundation created a tool that makes explicit the social value of various alternatives. The tool focuses on internal decision making and attempts to capture the value that accrues to the individual from being healthy, rather than sick; to caregivers; to the wider community (for example, from the control of infectious diseases); and to the taxpayer.

The tool is not a simple computer program or calculator. Instead, it is a framework for thinking about value. Like many of the tools used to assess social value, this one requires a series of judgments which fall into four main categories:

- 1) strategic fit (how well the proposed innovation meets the needs of the health service);
- 2) potential health outcomes (including likely impact on quality-adjusted life years and patient satisfaction);
- 3) cost savings and economic effects; and,
- 4) risks associated with implementation.

When faced with a proposal, users of the tool apply a 0 to 5 scale to rate the proposal on items in each of these categories. Proposals range from a promising idea from a group of doctors or nurses, to an idea that has already been piloted on a small scale or a venture that is ready for scaling up. Users can also provide commentary along with their ratings.

In some cases, decision makers can draw on strong data—for example, evidence from a randomized controlled trial. In other cases, they must rely on less certain numbers. To capture this variability, the tool also includes measures of the reliability of the evidence on which judgments are based. The visual presentation of the results then makes judgments and their reliability very clear.

Example 2: Local Authority

When considering community asset transfer requests, some local authorities have created a score card system to help them assess community benefit. This has been used to compare asset transfer applications with alternative use proposals. The table below outlines how this can work in practice:

Figure 1 Community Transfer Body Score

Community Benefit Score (score out of 90)	46.2
Financial Assessment (score out of 52)	14.8
Overall Assessment/ Best Value Conclusion	May represent best value, careful judgement required

Figure 2 Local Authority Score

Community Benefit Score (score out of 90)	75.8
Financial Assessment (score out of 52)	42.2
Overall Assessment/ Best Value Conclusion	Likely to represent best value

Community benefit assessment score sheet templates that have been used by Scottish relevant authorities are included at Annex B which provides further examples of how to breakdown assessment criteria. The above scoring was used by a local authority to consider an asset transfer request from a local community transfer body.

Example 3: Scottish Land Commission

The Scottish Land Commission has produced “Guidance on Assessing the Full Economic Benefits of the Productive Reuse of Land” (published April 2020) which demonstrates how to identify, capture and, where possible, quantify the wider benefits of reusing vacant and derelict land, including economic and well-being benefits, so that such benefits can be compared to the costs of bringing sites into productive use and to any changes in the value of a site.

This guidance may be relevant for any organisation involved in the reuse of vacant and derelict land. That could include landowners, land users, developers, funders, national government, local government, public sector agencies and local communities. The guidance can be used at the project development and appraisal stage, for example, where a business case is being developed that will include the reuse of vacant and derelict land or at the evaluation stage after a site has been brought back into productive use.

It provides a framework of core themes of value and impact and suggests that the benefits of each reuse project are assessed in relation to how they contribute to these themes in the light of local circumstances. The aim is to encourage a broader scope of thinking about a project’s potential benefits and the themes described should act as a guide for this process.

Guidance on Assessing the Full Economic Benefits of the Productive Reuse of Land can be accessed [here](#) .

Example 4: Community Ownership Support Service (COSS)

In December 2020, the Community Ownership Support Service (COSS) published “Managing risk in Community Asset Transfer: A guide for public bodies”, which was designed to complement and enhance relevant authorities own approach to risk. It will help facilitate successful Community Asset Transfer by providing information and guidance on management of risks relating to asset transfer. The guide sets out some simple approaches to risk management and outline the more common risks encountered and how to mitigate them.

The guide considers many of the common risks faced by public bodies when considering asset transfers, including community organisations skills or capacity to manage the asset transfer process; the community organisations skills or capacity to manage assets long term; their ability to deliver forecasted benefits; their support from the wider community; multiple requests for the same assets etc. and how to mitigate these risks.

Managing risk in Community Asset Transfer: A guide for public bodies can be accessed [here](#).

Annex B

Examples of Scoring Sheets Used to Assess Project Benefit

The following two examples highlight approaches taken by Relevant Authorities in Scotland to assess community benefit using qualitative methods. These scoring mechanisms are used by the Relevant Authorities as one part of an overall application assessment which would include Business Plans; financial forecasts etc.

1. Community Benefits Score Sheet: adapted from version used by a Scottish local authority

Community Benefits (score out of 90)		Positive Impact							
Assessment Criteria	Questions to Consider	No Evidence	Very Low	Low	Moderate	Strong	Very Strong	Weighting	Weighted Score

2. Community Benefits Score Sheet: Forestry and Land Scotland

Full community benefits score sheets can be accessed from the [Forestry and Land Scotland website](#).

These outline the community proposals for the asset to be transferred, and how they are to be utilised. Evaluation assessment criteria considers the benefits of the proposal, its impact, and its contribution to best value outcomes.

Assessment criteria considers the proposals overall vision, its financial and non-financial benefits, and its contribution to equality. Impact is again considered in terms of strength, and contribution to best value outcomes.

Annex C

Examples of current Social Value models adopted locally in Scotland

There are a wide range of social value tools and calculators being used in Scotland by relevant authorities to calculate social value when considering asset transfer applications. It is worth noting that these are often considered as one part of a wider approach to assessing asset transfer applications and play an important role in helping inform the final decision. Although the Scottish Government cannot recommend the use of one tool, technique, or approach over another, the following table outlines some of the various social return on investment tools and approaches used in Scotland.

Organisation	Model/ Approach	How it works	Examples
Scottish Government	Seven best value principles	Principles of best value should be applied by all relevant authorities when considering community asset transfer applications.	<u>Asset Transfer guidance for authorities - Best Value Considerations</u>
Community Ownership Support Service	Promote the Scottish Government best value principles Published “Managing Risk in Asset Transfer” guidance in December 2020.	Guidance for relevant authorities to help inform them with their decision making and calculating social value/ accounting for discounts.	<u>Managing Risk in Asset Transfer 2020</u>
Forestry and Land Scotland	Adapted model from Scottish Government seven best value principles	Forestry And Land Scotland use this framework as part of their assessment criteria	<u>FLS cats-evaluation-panel-assessment</u> <u>FLS cats-evaluation-guidance</u>

Organisation	Model/ Approach	How it works	Examples
Dumfries and Galloway Council	<p>Licenced tool developed by the East Riding of Yorkshire</p> <p>This is a web-based tool that has built-in financial proxies that link to wellbeing, economy, environment, and it is used by D&G Council to ensure impartiality.</p>	<p>Used by Dumfries and Galloway Council as part of a wider overall approach to managing risk/ calculating social value.</p> <p>It gives the council Ward Officers an opportunity for further conversations with groups, especially language so that both the council and the group are talking about the same thing.</p> <p>D&G Council also use it for longer-term conversations as well, following the asset transfer award.</p>	<p>https://www.socialvalueengine.com/</p>
Scottish Federation of Housing Associations (SFHA)	Social Value Toolkit	Practical resources to measure and demonstrate the social value impact created by social housing providers	

Organisation	Model/ Approach	How it works	Examples
Housing Association Charitable Trust (HACT)	Community Asset Transfer Toolkit	A UK based organisations toolkit for housing providers developed in conjunction with three community based organisations, to enable housing providers better understand the management of community assets, and also help manage their strategic approach to community asset transfer.	<u>Community asset transfer toolkit HACT</u>

Organisation	Model/ Approach	How it works	Examples
Scottish Land Commission	Guidance on Assessing the Full Economic Benefits of the Productive Reuse of Land (April 2020)	Document provides guidance on how to identify, capture and, where possible, quantify the wider benefits of reusing vacant and derelict land, including economic and well-being benefits, so that such benefits can be compared to the costs of bringing sites into productive use and to any changes in the value of a site.	<u>Land Reuse Framework Guidance</u>

Organisation	Model/ Approach	How it works	Examples
Scottish Land Commission	Report: The Case for Change: A New Approach to Assessing the Benefits of the Productive Reuse of Land (April 2020)	Report sets out a case for change, introducing a new approach to assessing the full economic benefits of the productive reuse of land. The report considers investing in these sites and bringing them back into productive use which could help play a role in tackling climate change, reducing inequalities, improving well-being and delivering inclusive growth.	<u>Reuse of Land Final Case for Change Report</u>
Scottish Land Commission	Case Studies on transforming vacant and derelict land in Scotland	Examples of sites brought back to use, also referenced against national outcomes and indicators used.	<u>Case Studies</u>

Annex D

Further Resources for Measuring Change

There are a wide range of tools and guidance which have been created to help measure outcomes and change. The following table outlines some of these used in Scotland and further afield.

Method	Description	Organisation	Link
General Resources	Resources including performance measurement and management materials	Better Evaluation/ Users	http://www.betterevaluation.org/ https://www.betterevaluation.org/en/approaches
General Resources	Resources including performance measurement and management materials	Impact Management Project	http://www.impactmanagementproject.com/
General Resources	Self-Evaluation materials	Evaluation Support Scotland	Homepage - Evaluation Support Scotland
Theory of Change/ Logic Models	Guides for identifying inputs, activities, outputs and outcomes.	Better Evaluation: Theory of Change	https://www.betterevaluation.org/en/resources
Theory of Change/ Logic Models	Guides for identifying inputs, activities, outputs and outcomes	Centre for Theory of Change	http://www.theoryofchange.org/what-is-theory-of-change/
Theory of Change/ Logic Models	Guides for identifying inputs, activities, outputs and outcomes	Innovation Network	https://www.innonet.org/media/logic_model_workbook_0.pdf
Theory of Change/ Logic Models	Guides for identifying inputs, activities, outputs and outcomes	Kellogg Foundation	https://www.wkkf.org/resource-directory/resources/2004/01/logic-model-development-guide
Cost Effectiveness Comparisons	Methods for assessing the social value of investments by quantifying benefits and costs	REDF Social Return on Investment	http://redf.org/learn-category/sroi/

Method	Description	Organisation	Link
Cost Effectiveness Comparisons	Methods for assessing the social value of investments by quantifying benefits and costs	Robin Hood Foundation	https://www.robinhood.org/what-we-do/metrics/
Cost Effectiveness Comparisons	Methods for assessing the social value of investments by quantifying benefits and costs	Social Value UK – Guide to Social Return on Investment	http://www.socialvalueuk.org/resources/sroi-guide/
Capacity Assessment for Organisations	Approaches to assessing organizational capacity, and conducting evaluation	Better Evaluation – Developmental Evaluation	https://redf.org/the-impact/measurement-evaluation
Capacity Assessment for Organisations			
Capacity Assessment for Organisations	Approaches to assessing organizational capacity, and conducting evaluation	The National Council of Non-Profits	https://www.councilofnonprofits.org/tools-resources/organizational-self-assessments
Attribution-Based Evaluation	Methods for assessing the impact of an intervention by comparing outcomes against a comparison group	Better Evaluation	https://www.betterevaluation.org/resources/guide/unicef_impact_eva http://www.betterevaluation.org/en/resources/guide/quasi-experimental_design_and_methods

Method	Description	Organisation	Link
Attribution-Based Evaluation	Methods for assessing the impact of an intervention by comparing outcomes against a comparison group	Innovations for Poverty Action	https://www.poverty-action.org/publication/resources-and-tools-impact-evaluation
Attribution-Based Evaluation	Methods for assessing the impact of an intervention by comparing outcomes against a comparison group	International Initiative for Impact Evaluation	http://www.tandfonline.com/doi/abs/10.1080/19439342.2013.764652 http://www.3ieimpact.org/en/evaluation/resources/impact-evaluation-resources/
Contribution-Based Evaluation	Used to assess impact in complex settings such as where a comparison group cannot be established	Better Evaluation: – Outcome Harvesting, Process Tracing, and Contribution Analysis	https://www.betterevaluation.org/en/approaches http://www.betterevaluation.org/evaluation-options/process-tracing https://www.betterevaluation.org/en/plan/approach/contribution analysis
Contribution-Based Evaluation	Used to assess impact in complex settings such as where a comparison group cannot be established	Most Significant Changes	http://mande.co.uk/special-issues/most-significant-change-msc/
Contribution-Based Evaluation	Used to assess impact in complex settings such as where a comparison group cannot be established	Outcome Harvesting	http://outcomeharvesting.net/resources/

Method	Description	Organisation	Link
Contribution -Based Evaluation	Used to assess impact in complex settings such as where a comparison group cannot be established	Outcome Mapping Learning Community	https://www.outcomemapping.ca/



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