

Valuing VCSEs

A typology to understand the multiple dimensions of value

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Project Overview

This British Academy Policy Innovation Fellowship, undertaken in collaboration with the Department for Culture, Media and Sport (DCMS), aims to strengthen the underlying support network of the Voluntary, Community and Social Enterprise (VCSE) sector by assessing the different metrics that reflect and contribute to place-based resilience. The research by the Fellow (Dr Amy Burnett) considers how value measures of the VCSE sector could be further understood to enhance policy interventions and support the different types of value that the sector and its supporters enable.

This document demonstrates a value typology produced to understand the multiple dimensions of value of the VCSE sector and implications for policy and measurement practice. For further details and outputs form this fellowship, please see the project website: **www.valuingcommunity.co.uk**.

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The Measurement Challenge

The VCSE sector faces a persistent measurement challenge that undermines its strategic value and sustainability. Whilst public sector organisations have long benefited from established informatics services to evidence their activities and impacts, the VCSE sector has historically lacked comparable infrastructure to demonstrate its extensive contributions to communities.

This absence leaves valuable community work invisible to policy-makers, funders, and potential collaborators, undermining the sector's ability to demonstrate impact and secure sustainable resources. The lack of visibility can perpetuate structural inefficiencies, with organisations duplicating efforts in the same areas, whilst the absence of a joined-up, place-based view limits opportunities for coordinated investment and systemic social change. Without comprehensive data infrastructure, opportunities for service rationalisation, resource sharing, and collaborative governance remain unexploited, whilst policy-makers lack access to authentic community intelligence for evidence-based decision-making.



Research Questions

This research addresses critical gaps by examining how value (in its various forms) is defined by policy and the VCSE sector and operationalised in practice. It was informed by several related underpinning questions:

- How is 'value' currently measured? What specific metrics and measures are being used to capture the value and quality of services provided by VCSE organisations?
- Who uses these measures and how? How are these valuation approaches applied and interpreted across various stakeholder networks, including government bodies, funders, and the VCSE organisations themselves?
- Are current methods fit for purpose? Do the existing measures adequately reflect the multifaceted value that the VCSE sector provides?
- How is value negotiated? How do VCSE actors and their supporters justify, construct, resource, and assess outputs and outcomes?
- Do VCSE services offer system efficiencies? Does the way services are delivered through the VCSE sector lead to more effective interventions, potentially saving costs across other government departments like education or health?
- How can data practices be improved? What steps can be taken to enhance data collection and usage in a way that truly empowers the VCSE sector and its stakeholders?

This research builds off the DCMS CSY Areas of Research Interest (ARIs) in the area of Values and Impacts of the CSY sectors (CSY ARI 2, as of September 2025).

Key Findings

The research identified systematic gaps between current measurement approaches and the full spectrum of VCSE value creation. Whilst there is growing recognition of interconnections between social value and environmental outcomes, net-zero targets and community resilience, nature-based solutions and social infrastructure, policy and measurement siloes still prevent coordinated analysis of socio-environmental systems perspectives.

Measurement Gaps and Systemic Invisibility

The analysis identified critical "data cracks" where qualitative and experiential aspects of VCSE contributions fall beneath measurement systems focused on quantitative proxies. As stakeholders noted, "millions of volunteer hours mobilised by the sector are no less valuable because they are unpaid and largely uncounted."

Particular challenges emerge for smaller organisations that lack resources for sophisticated impact measurement and reporting. These organisations often deliver significant value through community connection and local knowledge, yet this contribution becomes invisible within formal measurement systems designed for larger organisations with dedicated impact teams.

The research also revealed that much valuable community action goes "under the radar" due to reporting barriers that exclude grassroots organisations from formal

value recognition. This creates a paradox where the sector serves as essential gap-filling whilst aspiring to be a "beacon of possibility."

Traditional measurement approaches fail to capture real-time community change or the qualitative dimensions of transformation that communities themselves value. Without comprehensive data infrastructure, opportunities for service rationalisation, resource sharing, and collaborative governance remain unexploited, whilst policy-makers lack access to 'community intelligence' for evidence-based decision-making.

Stakeholder Perspectives on Value Creation

Interviews revealed distinctive perspectives on how VCSEs create value differently from public and private sector delivery. Stakeholders emphasised flexibility, informality, empowerment and trust as key differentiators. One community planner noted how VCSEs "allow people to take charge of roles on their own terms" and create opportunities for people "written off" by other systems to assume meaningful roles.

VCSE supporters highlighted the sector's role in "servicing unmet needs" and acting as an "instrumental/catalysing force for change." The research revealed how VCSEs can "access groups not normally reached" and operate with different starting points from public and private sectors, enabling innovation in addressing social challenges.

However, stakeholders also identified negative aspects and challenges. These include the complex and challenging nature of volunteer management, the requirement for sustained community ownership, and difficulties in accessing appropriate finance and procurement opportunities.



Business Model Impacts on Value Creation

The research identified how VCSE business models create different approaches to value creation and distribution. Democratic governance structures and community accountability mechanisms influence how value is measured and reported. The principle that "surpluses are principally reinvested for social purpose rather than maximising profit for shareholders" creates different approaches to return on investment and longer-term value creation.

Hybrid organisational models that bridge public sector responsibilities and private sector efficiency generate innovative approaches to service delivery and value creation. However, some VCSEs face significant barriers including difficulties accessing appropriate finance, meeting procurement criteria and accessing necessary tools and services due to resource constraints.

Key Contributions

Supporting a value typology for understanding different types of value

The research led to the development of a VCSE value typology that can be used to help frame policy interventions, value-ful monitoring, evaluation, accountability and learning systems at different scales and help to uncover what is and is not being measured. The value typology developed through this research offers a framework for addressing these gaps by providing a comprehensive taxonomy that can be used to assess where current measurement approaches focus and where critical dimensions remain unmeasured.

The framework also highlights how different stakeholder groups prioritise different aspects of value creation, suggesting need for measurement approaches that can accommodate multiple perspectives whilst maintaining coherence across the sector. For example, policy-makers often focus on efficiency and policy influence outcomes, whilst community organisations prioritise personal value and community assets perspectives.

This comparative analysis reveals that whilst monetary and efficiency measures dominate current frameworks, dimensions such as regenerative value, community ownership, and personal/intrinsic value creation receive limited systematic attention.

The VCSE Value Typology

This typology presents a comprehensive framework for understanding how Voluntary, Community and Social Enterprise organisations create value, moving beyond conventional economic measures to encompass the full spectrum of VCSE contributions.

The framework acknowledges that **monetary and cost-benefit analysis** remains the default measure for policy-makers, focusing on financial savings and efficiencies.

Recognition and appreciative value captures how working with VCSEs builds positive reputation and social capital, potentially enhanced through accreditation schemes.

The **capitals perspective** recognises that VCSE interventions simultaneously affect multiple forms of capital—social, human, built, and natural—generating interdependent benefits across domains.

Improved governance and culture emphasises how VCSEs contribute to more inclusive decision-making, recognising that how decisions are made is itself valuable.

Community assets and ownership explores whether community-managed assets produce superior results, acknowledging that ownership structures affect outcomes.

Value chain perspectives extend analysis beyond individual organisations to consider how social value cascades through supply chains into wider economic systems.

Personal value recognises that participation in the social economy meets people's intrinsic goals to contribute meaningfully to society.

Regenerative value introduces a systems perspective, focusing on interventions designed to create self-reinforcing cycles of positive change through carefully considered incentives.

Policy influence and outcome acknowledges that VCSEs contribute not merely by implementing policy but by helping to shape what good policy should be.

Together, these dimensions reveal how current measurement approaches—dominated by monetary metrics—fail to capture the full spectrum of VCSE value creation. The typology provides a foundation for developing measurement systems that make visible the currently invisible contributions of the sector, supporting more informed policy-making and effective sector support.

Valuation type	Summary	Measures of success from this valuation lens and question from this value perspective
Monetary and cost-benefit analysis	Often the default measure of success and efficiency by policy-makers and suppliers	Money saved and efficiencies: Is this solution or intervention going to save money or lead to evidenced efficiencies?
Recognition, reputation and appreciative value	Working with the VCSE builds a positive reputation to support social good (which may be enhanced through accreditation schemes)	Improved reputation: Will I be recognised for my work in partnering with this organisation?
From a capitals perspective	Measuring outcomes in terms of how they support different capitals (social, human, infrastructure/built, natural etc)	Interdependent benefits: Will this intervention lead to multiple benefits other than the one I normally deal with?
Improved governance and culture	Contributing to positive business models and decision-making (i.e. more inclusive)	Better decisions: Will this model lead to better and more inclusive decision-making?
Community assets and ownership	Understanding how assets and services delivered by VCSEs contribute to better or more ownership by and for communities (see the British Academy's work on social and cultural infrastructure)	Community influence over assets: Does an asset managed by the community produce better results?
Value chain perspectives	Measures that quantify social value in the supply chain (i.e. beyond the VCSE sector and in the public/private sector product and services)	Cascading (scope 3) results: Will this have positive benefits for my supply chain
Personal value and meeting intrinsic objectives	Whether the social economy and 'doing good' meets people's personal goals to contribute to society	Personal satisfaction: Does this meet my personal goals and values?
Regenerative value	Measures that encourage positively reinforcing outcomes, through carefully considered incentives from a systems approach	Amplified positive value: Is this intervention designed so that it can benefit from positive levers and incentives, encouraging other cascading benefits?
Policy influence and outcome	The value VCSE activities have as coproducers of policy or in influencing its design	Policy influence: Are VCSE interventions meeting or shaping policies at different scales (i.e. national, local)?

A VCSE Value Typology—developed by Dr Amy Burnett as part of a *British Academy Policy Innovation Fellowship*, hosted by the Civil Society and Youth directorate at the *Department for Culture, Media and Sport* (last updated 22.9.25).

Assessing VCSE metrics by the suggested typology

There are many different frameworks and indicators that measure different elements of the suggested value typology. However, these can be unevenly distributed or inaccessible (i.e. behind a paywall or not known about). A summary of the different areas across common frameworks and available datasets assessed revealed well-developed measurement areas as well as under-developed ones that can lead to opportunities in programme design and measurement of value.

Value Type	Well-Developed Areas	Under-Developed Areas	Opportunities
Monetary & Cost-Benefit	Employment, Environment	Social relationships, Cultural value	Dynamic pricing, Real-time valuation
Recognition & Reputation	Procurement, Heritage	Individual recognition, Peer networks	Community validation systems
Capitals Perspective	Natural, Built	Social capital measurement	Integrated capital accounting
Governance & Culture	Organisational change	Democratic participation, Power dynamics	Participatory indicators
Community Assets	Asset mapping, Enterprise	Asset ownership, Community control	Digital platforms, AI integration
Value Chain	Supply chains, ESG	Value distribution, Equity	Blockchain tracking, Fair trade
Personal Value	NEET, Rehabilitation	Personal fulfilment, Life satisfaction	Wellbeing technology, Self-assessment
Regenerative Value	Environmental, Doughnut	Social regeneration, Cultural renewal	Systems indicators, Feedback loops
Policy Influence	Economic outcomes	Democratic influence, Policy co-creation	Citizen engagement metrics

Well-Developed Measurement Areas

The sector has established strong measurement capabilities in traditional economic domains. Monetary and cost-benefit analysis benefits from robust frameworks for assessing employment and environmental impacts, whilst recognition and reputation value can draw upon established procurement and heritage assessment methodologies. Natural and built capital perspectives are particularly well-served by existing measurement tools. Additionally, organisational change metrics and enterprise development frameworks provide solid foundations for assessing governance and culture. For community assets, the supply chain and social economy approaches offer developed methodologies. The sector can also leverage established personal value, environmental assessments and doughnut economics for regenerative value, and economic outcome measures for policy influence.

Critical Measurement Gaps

However, significant under-developed areas reveal where VCSE value remains largely invisible, or what can be defined as 'shadow value'[1]. Social relationships and cultural value lack adequate measurement frameworks, despite being central to VCSE contributions. Individual recognition within peer networks and the building of social capital—key differentiators of VCSE delivery—can evade systematic assessment. Democratic participation and power dynamics, fundamental to the sector's distinctive governance models, are difficult to quantify or maintain critical and open reflection to do so. Community control of assets and the equitable value of different measures are particularly challenging measurement issues. Personal fulfilment and life satisfaction outcomes, whilst crucial to understanding VCSE impact on individuals, are often inadequately captured. Social infrastructure and cultural renewal—areas where VCSEs often are strong—can support robust assessment frameworks, as do democratic influence and policy co-creation processes[2].

From Typology to Practice: The VCSE Value Mapper

Following from this analysis, a proposed 'VCSE Value Mapper' was identified as a potential tool that could help VCSE organisations understand and demonstrate the value they create, both financially and socially. This tool, if developed, could be invaluable for empowering civil society to articulate its impact effectively to government

[1] This concept is being actively explored in a follow-on research project supported by the British Academy.

[2] For an excellent resource on this, see the British Academy's Measuring Social and Cultural Infrastructure programme https://www.thebritishacademy.ac.uk/publications/measuring-social-and-cultural-infrastructure/ and the DCMS Heritage and Cultural Capital Framework https://www.gov.uk/government/publications/valuing-culture-and-heritage-capital-a-framework-towards-decision-making

and other stakeholders, strengthening its position to support effective relationships and understanding of sector contributions, i.e. a methodological tool to enhance government's civil society Covenant with the sector. However, it is essential that such a tool in itself would add value amid the plethora of tools, frameworks and measures to define value measures in different ways.

The Value Mapper is currently being developed as a pilot tool, which is being further refined through a follow-on project funded by the British Academy to support the continuation of policy impact activities arising from the Policy Innovation Fellowship. This six-month project (October 2025 – April 2026) will explore how technology can help the articulation and measurement of the multiple value logics expressed in the typology, responding to a need for more intelligent data packages that can customise value types to support VCSEs in demonstrating their value and streamlining their operations across multi-level governance and sector interventions.

The design of such a tool requires a comprehensive underlying data taxonomy that provides a framework for categorising resources, tools, and datasets. The taxonomy would distinguish between different formats and types of content—tools and platforms, datasets, and methodological frameworks—whilst organising resources by their primary function, including organisational development support, measurement and accountability, funding and sustainability, engagement and influence, and innovation and change. Implementation would prioritise multi-dimensional tagging to enable comprehensive filtering and discovery, accommodate hierarchies and relationships between categories, and remain flexible to evolve as the sector develops and new types of resources emerge.

These data classifications would work alongside the value typology to enable effective organisation, discovery, and utilisation of materials. Whilst detailed design work remains in progress, early considerations suggest the taxonomy would operate across several key dimensions including organisational context (sectoral positioning, and possible consideration of classifications such as Standard Occupational Code and Standard Industry Codes where they relate to VCSEs), thematic areas (democracy and participation, finance and investment, measurement and technology), purpose and mission alignment (potentially incorporating government missions and national and international frameworks), and policy and regulatory environments spanning national and local levels. The former Policy Innovation Fellow is working with the British Academy's Measuring Social and Cultural Infrastructure and Digital Society programmes to co-develop a framework to further test in a policy lab in March 2026 on the theme on the role of technology in amplifying the value that VCSEs contribute to.

Conclusion

The analysis reveals this as a systems transformation challenge where success depends on addressing the interconnected nature of barriers and opportunities rather than tackling them in isolation. The value typology developed through this research offers a framework for recognising and measuring these diverse contributions whilst a 'regenerative value' concept[3] provides a lens for understanding how VCSEs create positively reinforcing cycles of value creation. However, while there are many notable frameworks and methods to measure value types, policy and measurement framework development is required to further support this sector's potential contribution to inclusive and sustainable economic development. The value typology seeks to enhance alongside other conceptual and methodological contributions of this project and suggestions to further refine and enhance it are welcomed to inform further research in this area.

- [3] See Burnett, A. (2022) Operationalising performance measurement and incentives for 'regenerative value' to improve net sustainability outputs. *In G Vélez-Cuartas and O Romero-Goyeneche (Eds): Transformative Metrics: Contributions to the Studies for Monitoring and Evaluating How Science, Technology, and Innovation Can Address Social and Environmental Challenges*. University of Antioquia, Medellin, Colombia, 2022. Available from: https://bibliotecadigital.udea.edu.co/bitstream/10495/31313/1/VelezGabriel_2022TransformativeMetricsContribitions.pdf

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