

# Valuing VCSEs

## Project Summary for Dissemination Presentations and Workshops

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This document has been developed as part of the British Academy Policy Innovation Fellowship Understanding the value of the Voluntary, Community and Social Enterprise (VCSE) sector, set out to support insights for policy.

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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 project considers how value measures of the VCSE sector could be further understood and considered to enhance policy interventions and how they can leverage local, place-based innovations.

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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CEEDR Centre for Enterprise, Environment & Development Research | Middlesex University | Department for Culture, Media & Sport | The British Academy

# **What is the Value of the VCSE Sector?** A Multi-Dimensional Value Typology and Implications for Policy and Practice

## About This Research

The VCSE sector, comprises over around 250,000 organisations, making a substantial economic contribution to the UK economy - with the social enterprise subset alone contributing £78 billion.  However, its full value remains systematically invisible to policymakers, funders and potential collaborators.

A 15-month British Academy Policy Innovation Fellowship, undertaken in collaboration with the Department for Culture, Media and Sport (DCMS), and related ongoing work with the British Academy through a Fellowship Activities Fund sought to address this challenge:

The research takes a multi-dimensional approach to understanding VCSE value at different scales, services and intervention types, with particular emphasis on regenerative value approaches and cross-sector collaboration. It provides a comprehensive framework for demonstrating the multifaceted contributions of civil society beyond traditional economic metrics, supporting the Government's Civil Society Covenant objective to build effective partnerships between government and the VCSE sector while recognising and valuing the sector's distinct roles and strengths.

## Core Research Questions

- How is 'value' currently measured across the VCSE sector? What specific metrics and measures capture the value and quality of services provided?
- Who uses these measures and how? How are valuation approaches applied and interpreted across stakeholder networks including government bodies, funders and VCSE organisations themselves?
- Are current methods fit for purpose? Do existing measures adequately reflect the multifaceted value 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 service delivery through the VCSE sector lead to more effective interventions, potentially generating savings across government departments?
- How can data practices be improved? What steps enhance data collection and usage in ways that genuinely empower the sector and its stakeholders?

# The Challenge: Infrastructure Gaps in VCSE Measurement

Despite its huge contribution to society, the VCSE sector often faces challenges in measuring this value. Whilst public sector organisations have long benefited from established informatics services to evidence their activities and impacts, the VCSE sector lacks comparable infrastructure to demonstrate its extensive contributions to communities. This absence leaves valuable community work invisible to policymakers, funders and potential collaborators, undermining the sector's ability to demonstrate impact and secure sustainable resources.

The lack of visibility perpetuates 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 policymakers lack access to authentic community intelligence for evidence-based decision-making.

Opportunities in technology innovation (such as artificial intelligence and more integrated data connectors, such as APIs and moves towards data standards in volunteering) can address these challenges in part. However, whatever measurement framework is chosen, this needs to work with the VCSEs' underlying characteristics, for instance, being community-focused, nimble, able to work within the resource constraints of volunteers, and human-focused.  Measurement systems also need to recognise the full spectrum of value that VCSEs contribute to, alone, by sub-sector and through the partnership value chains of those who may commission their services.

# Key Contributions

## 1. A VCSE Value Typology Framework

The research developed a comprehensive VCSE value typology that provides a framework for addressing measurement gaps through a taxonomy that can assess where current measurement approaches focus and where critical dimensions remain unmeasured. The typology identifies nine distinct value dimensions:

- **Monetary Value & Cost-Benefit Analysis**: Traditional economic indicators and efficiency measures
- **Recognition & Reputation**: Perceived worth and organisational standing reflected in public sentiment and reputational capital

- **Capitals Perspective**: Value derived from different forms of capital (social, natural, human, financial, manufactured)
- **Governance & Culture**: Contribution to democratic participation and civic infrastructure
- **Community Assets & Ownership**: Value from stewardship of community assets including land, buildings and shared resources
- **Value Chain Perspectives**: Examining value creation and delivery mechanisms, partnerships and distribution systems
- **Personal Value**: Intrinsic, non-monetary worth of activities and outcomes for individuals
- **Regenerative Value**: Capacity to create self-sustaining positive cycles, promoting environmental and economic renewal through mechanisms such as the local multiplier effect
- **Policy Influence**: Impact on policy development and implementation across scales

The framework highlights how different stakeholder groups prioritise different aspects of value creation. 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.

## 2. Enhanced Analytical Framework

Drawing insights from quality management frameworks facilitates comparability between sectors and avoids siloed evaluation approaches, examining how stakeholders co-create value from a service ecosystem perspective.

The research introduces a significantly enhanced analytical framework combining traditional SWOT analysis with an expanded PESTLE[1]+ approach, specifically tailored for understanding value creation and systemic transformation in the VCSE sector. Crucially, the Fellow added Transitions and Place as key components to a more robust integrative framework to examine trends and key factors shaping the sector. Combined with a value lens identified above, this methodological innovation addresses critical gaps in existing evaluation tools that fail to capture the multi-dimensional nature of VCSE value creation and their role in fostering regenerative pathways for inclusive societies.

## 3. The VCSE Value Mapper Concept

The research developed the concept and early design brief for a VCSE Value Mapper—a tool to help VCSE organisations understand and demonstrate the value they create

**1** PESTLE stands for Political, Economic, Sociological (Society), Technological, Legal and Environmental. It was used in a DCMS-commissioned study by Pro Bono Economics. The two methodologies are mentioned in tandem by Charity Excellence: https://www.charityexcellence.co.uk/charity-swot-pestle-analysis/

across financial and social dimensions. This builds on parallel work developing a Nature-Positive Business Mapper[2], an AI-enabled tool supporting environmental entrepreneurs to find their purposeful value orientation. The VCSE Value Mapper builds on a tradition of value mapping tools in sustainability and business model research (notably Bocken et al., 2013), whilst addressing a distinct gap: the systematic invisibility of VCSE contributions within policy and funding frameworks. Unlike tools designed for corporate business model redesign, the VCSE Value Mapper applies a multi-dimensional typology developed inductively from VCSE sector practice, centred on community-defined value rather than market value capture.

The VCSE Value Mapper is currently being developed as a pilot tool through a follow-on project funded by the British Academy where the Fellow is working directly with the Measuring Social and Cultural Infrastructure and Digital Society programme teams. This project explores how technology can support the articulation and measurement of multiple value logics, responding to the need for intelligent data packages that can customise value types to support VCSEs in demonstrating their value and streamlining operations across multi-level governance and sector interventions. There were opportunities for various stakeholders to engage in focus groups and a Policy Lab to reflect on data architecture required for inclusive and value-ful digital systems that meet the needs of VCSEs.

An offline (analogue) version of the Value Mapper is being piloted in the form of pocket sized conversation cards on sector value that can be used to understand VCSE value, commissioner, policy-maker and value chain perspectives. In doing so, the research hopes to support dialogue on sector value across stakeholder groups across the VCSE sector and their key supporters and stakeholders.

**2** Research being carried out by Middlesex University and partnerships under the NERC-funded SME Nature-Positive Finance Project, part of the Integrating Finance and Biodiversity Programme.




## 4. VCSE Perspectives – Case Study Value Insights

As part of the Valuing Community project, a series of short video case studies has been produced to provide a public-facing window into the research. These videos draw on conversations with VCSE practitioners and their supporters, exploring questions that lie at the heart of the fellowship: what does community actually mean, how is it built, and what happens when we fail to value it properly?

Topics covered include the atomisation of modern society and the challenge of building belonging in transient, multicultural environments; the role of community assets — churches, schools, local institutions — as "uniting features" that bridge generations and create what the typology frames as regenerative value; and the way technology, for all its capacity to connect, can undermine the emotional intelligence and relational capacity on which strong communities depend. We also delve into the mechanics of how to

understand VCSE sector value and the challenges and opportunities for measuring value that is hard to quantify.

## Policy Recommendations: Building Measurement Infrastructure

Implementing comprehensive value measurement requires coordinated action across multiple policy domains. The following recommendations outline practical steps for building an innovation measurement infrastructure that recognises societal action and the values generated when citizens act for social, public and environmental good.

### 1. Develop Shared Measurement Standards

Current fragmentation of measurement frameworks—with different requirements from funders, regulators and reporting bodies—creates excessive burden, particularly for small organisations with limited administrative capacity. Policy should support the development of common measurement standards and complement the Social Value Model, utilising a multi-part value framework (like the VCSE Value Typology) that enables consistent reporting across different contexts whilst capturing the full spectrum of innovation value. These standards should be co-designed with SMEs, VCSEs and community organisations to ensure practical utility.

### 2. Simplify Reporting Requirements

Measurement systems must balance comprehensiveness with accessibility. Simplified registration processes and streamlined reporting templates enable small organisations to participate without disproportionate administrative burden. Digital platforms can support this through pre-populated data, automated calculations and basic reporting, which provides a simple overview whilst enabling detailed analysis for those with capacity. Policy should mandate that any new measurement requirement undergoes assessment for proportionality and accessibility to small organisations.

### 3. Integrate Measurement Infrastructure Across Policy Domains

Social value, environmental impact and community benefit are currently measured through separate, often conflicting, frameworks. This reflects siloed policy development rather than the reality of integrated community action. Planning policy operates independently of procurement policy, whilst environmental regulation often proceeds separately from social value requirements. Communities and organisations navigating

multiple requirements face structural complexity. Policy should support the integration of measurement frameworks, recognising that social, environmental and economic outcomes emerge together rather than separately and consider how 'regenerative value' supports symbiotic positive tipping points for social change.

## 4. Support Capacity Building for Measurement

Effective measurement requires skills and resources that many small organisations and community groups lack. Investment in capacity building—providing training, peer learning networks, and technical support—enables broader participation in measurement systems. This capacity building should focus not just on completing forms but on understanding value creation, articulating impact and using measurement for learning and improvement. Education initiatives should integrate community enterprise and social economy into business curricula at secondary and tertiary levels, normalising multi-dimensional value measurement as standard business practice.

## 5. Create Regional Innovation Measurement Hubs

A single point of access for measurement resources, guidance and support would reduce navigation complexity whilst enabling tailoring to local contexts. Regional hubs could convene currently siloed resources around social value, environmental impact and innovation metrics, providing comprehensive support for organisations transitioning from disadvantage to resilience. These hubs should facilitate peer-to-peer exchange, recognising that communities often learn most effectively from each other's experience rather than expert instruction.

## 6. Link Measurement to Incentive Structures

Measurement creates value when linked to meaningful incentives. Procurement frameworks should reward organisations demonstrating comprehensive value creation across multiple dimensions rather than optimising single metrics. Tax relief, grant eligibility and regulatory requirements should recognise the full spectrum of innovation value. Local authorities should explore innovative approaches such as sliding fee scales based on comprehensive value contribution, or preferential access to services and facilities for organisations scoring highly on regenerative value indicators.

## 7. Develop Place-Based Digital Infrastructure

Technology can support measurement whilst avoiding extractive data relationships. Place-based platforms integrating GIS mapping with community storytelling enable visualisation of innovation ecosystems including relationships, cultural practices and intergenerational knowledge flows. These systems should be designed with

communities rather than imposed upon them, supporting collective sensemaking and decision-making rather than merely extracting data for external analysis. Community ownership of data and platforms ensures measurement infrastructure serves community priorities.

## 8. Establish Learning Systems for Continuous Improvement

Measurement should enable learning rather than merely accountability. Policy should mandate feedback and learning opportunities during and after projects, supporting iterative improvement and knowledge sharing. Regular convening of practitioners enables exchange of insights about what works in different contexts. Research funding should support longitudinal studies examining how innovation value evolves over time, recognising that most significant impacts often emerge years after initial intervention.

## Practice recommendations

The framework developed during this Fellowship can be used to support capacity building of several stakeholders:

| Audience | Core focus | Capacity building area |
|---|---|---|
| **Local Government & Place-Based Commissioners** | Practical application of the value typology for commissioning and procurement<br><br>Workshop on applying the typology to current commissioning challenges | • The infrastructure gap: why VCSE value remains invisible<br>• Place-based value creation: case studies<br>• Regenerative value and the local multiplier effect<br>• Community assets and ownership perspectives<br>• Value chain analysis for procurement decisions<br>• Tools for measuring multi-dimensional value in commissioning frameworks |
| **VCSE Organisations & Sector Infrastructure Bodies and Parish and Town Councils** | Empowering organisations to articulate and evidence their multi-dimensional value<br><br>Value mapping exercise for participants' own organisations | • Understanding the nine value dimensions and how they apply to your work<br>• From invisible to visible: addressing the measurement infrastructure gap<br>• Personal value and community assets perspectives<br>• Regenerative value frameworks<br>• Introduction to the VCSE Value Mapper concept<br>• Practical tools for demonstrating value to funders and commissioners |
| **Central Government Policy-Makers** | Policy implications and evidence base for VCSE sector support<br><br>Integration with existing policy frameworks and departmental priorities | • Supporting the Civil Society Covenant through enhanced value recognition<br>• Gaps in current Areas of Research Interest<br>• The value typology as a framework for policy interventions<br>• System efficiencies and cross-departmental benefits<br>• Policy influence and governance value dimensions<br>• Recommendations for monitoring, evaluation and learning systems |
| **Academic & Research Communities** | Methodological innovation and theoretical contributions | • Enhanced SWOT and PESTLE+ analytical frameworks<br>• Multi-dimensional value typology: theoretical foundations |

| Audience | Core focus | Capacity building area |
|---|---|---|
| | Seminar, conference paper, or research methods workshop | • Regenerative value and transitions theory<br>• Service ecosystem perspectives and value co-creation<br>• Spatial dimensions: urban-rural differences in value creation<br>• Research questions for future inquiry |
| **Anchor Institutions & Cross-Sector Partnerships** | Collaborative value creation and community wealth building<br><br>Mapping partnership value creation opportunities | • Value chain perspectives and cross-sector collaboration<br>• Community assets and ownership models<br>• Governance and culture value dimensions<br>• Cambridge community wealth building case study<br>• Capitals perspective: leveraging different forms of capital<br>• Frameworks for partnership working and shared measurement |
| **Funders & Social Investors** | Understanding multi-dimensional returns and regenerative investment<br><br>Practical application to funding criteria and reporting requirements | • Beyond cost-benefit: the nine value dimensions<br>• Regenerative value and sustainable investment<br>• Recognition and reputation value<br>• Personal and community asset perspectives<br>• Measuring diverse returns across stakeholder groups<br>• Implications for grant-making and investment decisions |
| **Sector-Specific Deep Dives** | Health & social care, environment & sustainability, community development, youth services, etc.<br><br>Workshop or consultation session with sector practitioners | • Value typology applied to sector-specific contexts<br>• Relevant case studies from Somerset or Cambridge research<br>• Sector-specific policy frameworks and measurement challenges<br>• Regenerative approaches in the specific sector<br>• Tools and recommendations tailored to sector needs |

## Potential Dissemination Discussion Points

- What incentives can effectively encourage VCSE interventions and how should these be structured for different stakeholders?
- How can social value measures critically engage with service providers and unpack politics of representation?
- What are the tipping points and role of policy in laying conditions for change?
- How can measurement and financing of initiatives impact flow and direction of social innovation?
- What role do spatial aspects play in determining pathways of change, particularly urban-rural differences?

If you would like to discuss an event to explore the VCSE Typology and this research and how it could inform your work, or how to be involved in the follow-on focus groups and Policy Lab, please contact Dr Amy Burnett.

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