

## **Summary of UK Social Value Bank Methodology**

The system is Version 6 of the UK Social Value Bank (UKSVB)<sup>1</sup>, developed by HACT and Simetrica-Jacobs.

### **1. Core Methodology**

Approach Used:

UKSVB v6 is based on the Wellbeing Valuation (WV) method, which monetises changes in individual wellbeing associated with specific outcomes. This approach is endorsed by HM Treasury Green Book guidance and OECD best practice for social impact measurement. WV uses large-scale national datasets to estimate the equivalent monetary value of wellbeing improvements.

It applies WELLBYs (Wellbeing Years) as the unit of measurement, converting wellbeing changes into monetary terms using life satisfaction scores.

### **2. Structure of UKSVB v6**

Number of Outcomes:

88 outcomes covering areas such as employment, health, financial inclusion, housing, and community engagement.

Components of Each Value:

Wellbeing Value: Derived from national survey data (e.g., Understanding Society, British Household Panel Survey).

Health Top-Up: Additional value for health-related outcomes.

Exchequer Value: Fiscal savings to the state (e.g., reduced welfare payments, healthcare costs).

### **3. Data Sources**

Primary Data:

Understanding Society Survey (UK longitudinal household survey).

British Household Panel Survey.

Other large-scale national datasets for income, employment, and health.

Monetisation:

Uses the marginal utility of income to convert wellbeing changes into monetary values.

### **4. Adjustments for Accuracy**

Deadweight: Accounts for what would have happened anyway (counterfactual).

Attribution: Adjusts for other factors contributing to the outcome.

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<sup>1</sup> <https://hact.org.uk/publications/uksvb-version-6-methodology/>

Duration: Applies time-based adjustments for how long benefits last.

Drop-off: Reduces value over time if benefits diminish.

Discounting: Applies HM Treasury discount rates for future benefits.

## **5. Validation & Confidence**

Peer Review: Developed by Simetrica-Jacobs, a leading social impact research organisation, with academic oversight.

Government Endorsement: Methodology endorsed by HM Treasury and OECD.

Consistency: A