



Why focus on impact?

An introduction to Social Return on Investment

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Why?



- Increasing focus from financiers on demonstrating value – no longer enough to assume ‘doing good’ (Pearce, 2003); outcomes not intentions (Liffman)
- “Once legitimacy is understood as an operational asset, key to maintaining a right to operate in a sector, accountability becomes a core management function” (Nicholls, 2005)
- . . . in nonprofit and social enterprise social impact is the source of legitimacy and value . . .
- However, this work is fledgling “. . . few have had much to say about what precisely characterizes that impact . . . Most accounts quickly retreat from the difficult and messy business of defining or understanding what makes a social difference, preferring instead to concentrate on process and inputs. . .” (Young, 2008)

The realities . . .

- Resource intensive – time, money
- Requires data collection and system modifications, start early and work with what you've got
- Often a big culture change, an ongoing process
- Joint approaches with financiers needed
- Opportunities to drive a focus on impact and organisational learning – shouldn't be just about PR / attracting funding
- Confusing terrain, no universal approach



First steps . . .



- Gain senior management and governance buy in
- Define the parameters for the assessment – time period, parts of organisation, programs etc
- Identify internal team – who has overall responsibility to deliver, ensure have adequate resources
- Revisit mission / purpose, the rest flows from here so essential – can raise interesting questions
- Develop initial stakeholder map – be prepared to revise and refine throughout
- Determine the audiences for reporting outputs – good practice includes external

SROI's seven principles . . .

- Involve stakeholders – plurality
- Understand what changes – Theory of Change
- Value the things that matter – proxies for value, monetization
- Only include what's material – what's in / what's out, what accurately represents
- Do not over-claim – causality and attribution, which is our bit
- Be transparent – document and communicate process and results
- Verify the result – note comparability issues

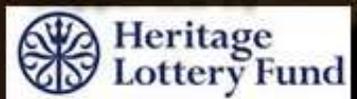


SPARR

Spàrr à Steòrnabhagh a Bhaile Ghobhainn
(The rivet between Stornaway and Govan)



Supported by



Sparr SROI

- Spàrr is the Gaelic word for rivet
- Spàrr celebrates the diversity of the Govan community – focussing on those people from the Western Isles who, inspired by the craft of the shipwright, travelled to Govan to work in the ship building industry

- Spàrr reveals the skills, motivations and aspirations of those “under the radar” third sector cultural enterprises in Govan that are the social glue
- It is still largely unacknowledged that it is these small social enterprises that provide jobs, training and employment; bring hope where there was despair and act as the bulwark against gentrification and homogenised regeneration.

Why Sparr?

- The ultimate aim of the Sparr programme is to empower local people and to support existing community organisations, small creative/cultural enterprises, campaigns and initiatives that aim to create sustainable, locally led regeneration for Govan.

Sparr produced:

- Training sessions for young people in interviewing and filming
- A script crafted from the interviews gathered
- Production of an epic scale piece of community theatre that involved numerous community groups and hundreds of residents
- An online educational resource

Cultural Planning

- Spàrr utilises a cultural planning approach
- a creative methodology that puts the “culture” of local people at the centre
- strengths based
- involves cross-sectoral partnerships at the same time as empowering communities.
- starts by mapping the strengths and assets of local people and organisations
- subsequently working with local people and organisations to enhance these strengths and assets

Cultural planning and theory of change

- cultural planning draws on and encourages the creativity of the people involved
- by engaging people in areas where their creative passions and motivations lie, experience has shown that significant change frequently occurs in all areas of their lives
- The aim of this SROI study is to **measure this change**

How SROI works

- SROI analyses the value that arises for different stakeholders from changes to peoples' lives that are not being captured in financial transactions
- these changes are described by stakeholders, and indicators are used to assess the amount of change
- financial proxies are used to value these changes.

The process

- A questionnaire was developed – one for individuals and one for organisations
- detailed information was collected about the changes created through engagement in Spàrr
- participants placed financial values on these changes
- research was undertaken to find appropriate financial proxies in order to value these outcomes. E.g equivalent value of learning gained, value of volunteer time etc

The process continued

- researchers took the information collected from stakeholders and collated it into an impact map.
- This shows the relationship (for each stakeholder) between inputs, outputs and outcomes, and how these outcomes have then been valued, through the use of indicators and financial proxies
- This linkage represents the theory of change for each stakeholder

Inputs and Outputs

- inputs were time, enthusiasm, energy, passion and commitment.
- Outputs for individuals were in terms of attendance at arts and creative workshops, training in new skills for cultural mapping, collecting oral history, creative industries skills workshops, rehearsal and participating in the performance.
- Outputs for organisations were numbers of new arts and creative workshops for their clients, training in new skills for clients, and new educational and cultural resources for further use

The Govan community

- The local Govan community, as a separate entity, was considered a stakeholder, but it proved difficult to create a full impact map due to the large numbers of people
- It is a possible that a separate study of changes to the community cohesion and social capital circulating in Govan could have revealed community-level outcomes, but this was outwith the scope and resources of this study.

Impact

- Once values are calculated for each stakeholder and their outcomes, this value is then reduced to take account of other factors:
 - Deadweight- A certain proportion of the outcomes resulting from the Spàrr activity would have happened anyway
 - Attribution- was there another cause of outcomes?
 - Displacement- were positive outcomes through Spàrr balanced by loss of activities elsewhere?
 - Drop off- When outcomes last beyond the year in which they are created, the value is likely to reduce in future years

Sensitivity

- a sensitivity analysis is undertaken to understand the variance there might be in the calculation of social return if different estimates are used
- This indicated that the calculated return is a robust figure

The return

- The results showed that Spàrr generated a return for its stakeholders of almost £14 for every £1 that was invested

- The high figure is partly the result of under-investment in Spàrr
- This study goes some way towards demonstrating the value of cultural planning in a regeneration context.

Quotes

- ” My son has learned more about Govan’s history in the last 4 weeks than in the whole of his school career. We’ve been through a really tough time this last couple of years... me and my boy... This has been a life saver for us”

”This has been the best time of my life” (Volunteer with special needs)

- “Sparr was a knock out! Absolutely excellent! The quality of the multi media was tops!”

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”I was going to commit suicide before I came here – this project has saved my life”

”My life is turned around – I am now off the medication”

”This project was a million dollars worth”

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The SROI Report

- The SROI Report was commissioned by The Scottish Government and Fablevision
- The SROI Report was authored by: Di Jennings, Independent Consultant
- The SROI Report was verified by Sheila Durie, Haldane Associates, SROI Accredited Practitioner

Sparr SROI a test case

- Sparr was a complex, multi stakeholder example of a cultural planning approach to community building
- Scottish government testing SROI in a range of contexts

Tools & other info . . .



- **Social Return on Investment** - www.thesroinetwork.org
- **Social Accounting & Audit** - www.socialauditnetwork.org.uk
- **The Demonstrating Value project** - www.demonstratingvalue.org
- **Prove and Improve** – www.proveandimprove.org/new
- **'Theory of Change' Impact Map** – www.proveandimprove.org/new/getst/ImpactMap.php
- **Catalog of approaches to impact measurement** – www.svtgroup.net/pdfs/RIICcatalogLR_v1-1.pdf
- **LM3 Online and Plugging the Leaks** – www.lm3online.org and www.pluggingtheleaks.org