Appendix B

Social Return on Investment Workshop

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RoseRegeneration

ROCKET SCIENCE

AGENDA

- Welcome and Introductions
- Explanation of the concept and the– drawing out the importance of a place based approach and use for the purposes of comparison
- Case Study – Based on an example from elsewhere – HullHarp (Rough Sleeper Project), Menphys (Supporting Families in the context of Learning Disability)
- Wider policy context, austerity and the Social Value Act
- Group discussion
- Break
- Practical Exercise – Based on assessing contribution and value from a local authority perspective
- Summing Up
- Depart

What is Social Return on Investment?

- SROI is a framework for measuring and accounting for **value**.
- It measures changes in ways that are relevant to people that experience or contribute to it – by capturing the value of economic, social and environmental **outcomes** that are routinely left out when focusing on the unit cost.
- It uses **monetary values** to represent these changes because money is widely accepted way of conveying value.

SROI can help us to understand:

- The long lasting effects of actions.
- How a project makes a place better to live in (sustainable).
- To design and evaluate projects.

SROI can be:

- ***Evaluative****: conducted retrospectively and based on actual outcomes that have already taken place.*
- ***Forecast:*** *predicts how much value will be created if activities meet their intended outcomes.*

How to Measure?

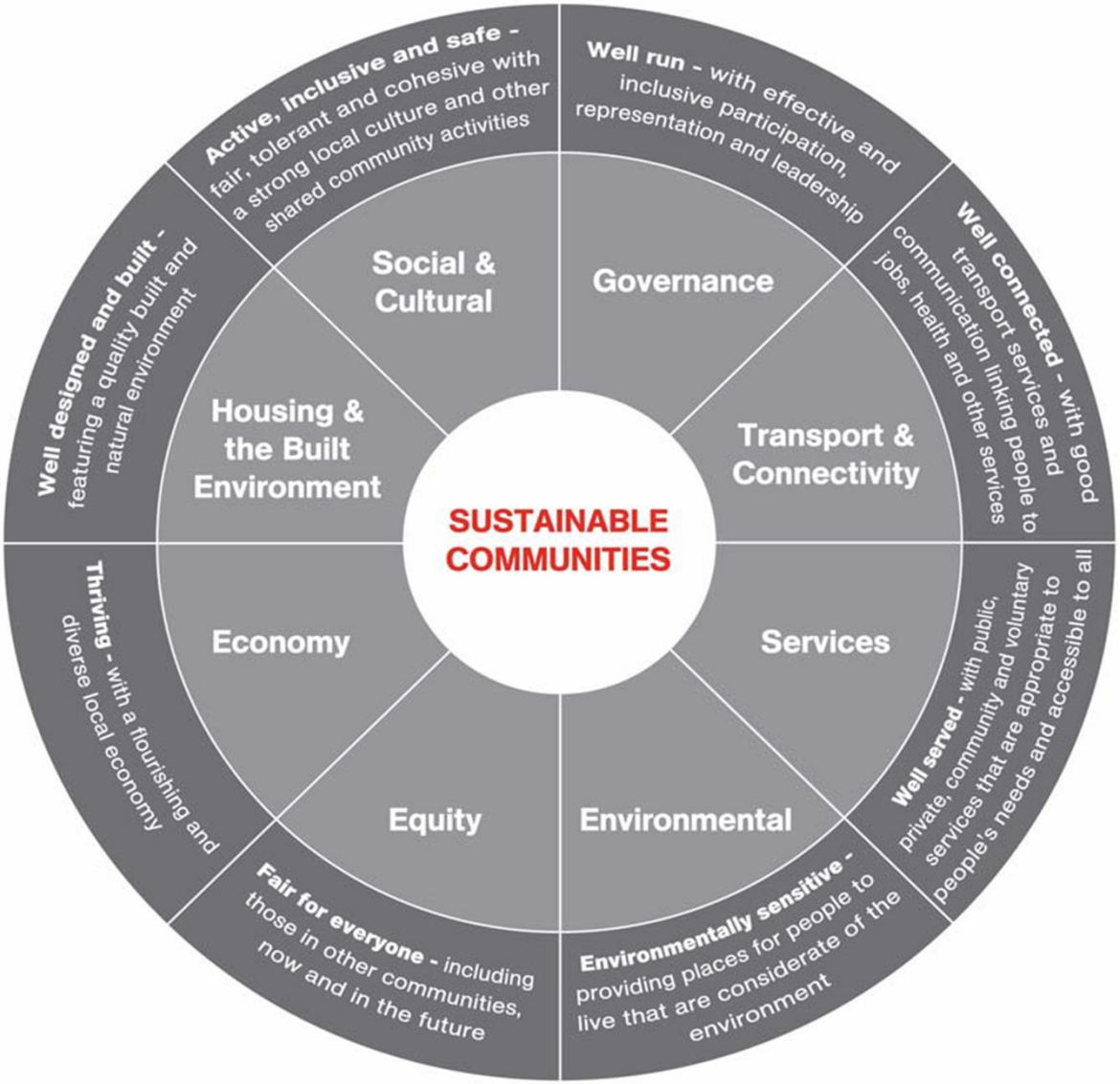
The Six Stages of SROI:

1. Establishing scope and identifying key stakeholders.
2. Mapping outcomes.
3. Evidencing outcomes and giving them a value.
4. Establishing impact.
5. Calculating the SROI.
6. Reporting and using the findings.

The Model

- VERSO & Hull and East Riding Citizens Advice Bureau.
- Bristol Accord: a set of principles to make places better areas live in, common to all Member States across Europe.
- *= Outcomes Table: this takes the 8 Bristol Accord principles & voluntary work experiences to produce a list of 120 outcomes.*

The Egan Wheel



Six Stages of SROI + Egan Wheel + Outcomes =

Bristol Accord Domain	Outcome	Proxy	Source	Unit	Value
Active Inclusive and Safe	Improved well-being through cultural, recreational and sports activities	Estimated weekly cost of private sports tuition	SROI on Growing Social Capital (Wright and Schifferes, 2012)	Cost per person	£2844
Well Run	Improved capacity for local solutions to local problems	Average size of a charitable donation in the UK	SROI	£ pa. per household	£423
Environment	Carbon reduction through sustainable behaviours and increase in green space	Value of carbon savings from growing vegetables on allotments	SROI Network VOIS Database - Climate Challenge Fund Food Route Map 2009 http://www.sd-commission.org.uk/publications.php?id=994	per sq m p.a	83p
Well Designed and Built	Improved protection, management and conservation of historic resources	Tourism value of heritage	Effect, Valuation of the Historic Environment.	£ per year per household	£22.6
Well Connected	Increased use of public transport and reduced dependence on private cars	Estimated cost per mile of a vehicle movement for leisure purposes	SROI Network VOIS Database	£ per hour	£6.46
Fair for Everyone	Increased living conditions and welfare for local citizens	Landscape value of woodland.	Willis et al (2003)	£ per household per annum	£418
Thriving	Increase in the creation of new micro-enterprises	Turnover of a micro-business and return on investing in innovation.	BIS Small Business Survey 2010	£ per business p.a	£40295
Well Served	More substantive links between organisations and service providers	dfT estimation of business time savings	SROI Network VOIS Database	Cost per hour saved by organisation	£58

Can SROI help you?

- **If you are a voluntary & community organisation or business** – a tool to improve performance, inform expenditure and highlight added value.
- **If you are a commissioner or funder** – a tool to decide where to invest, and later to assess performance and measure progress over time.

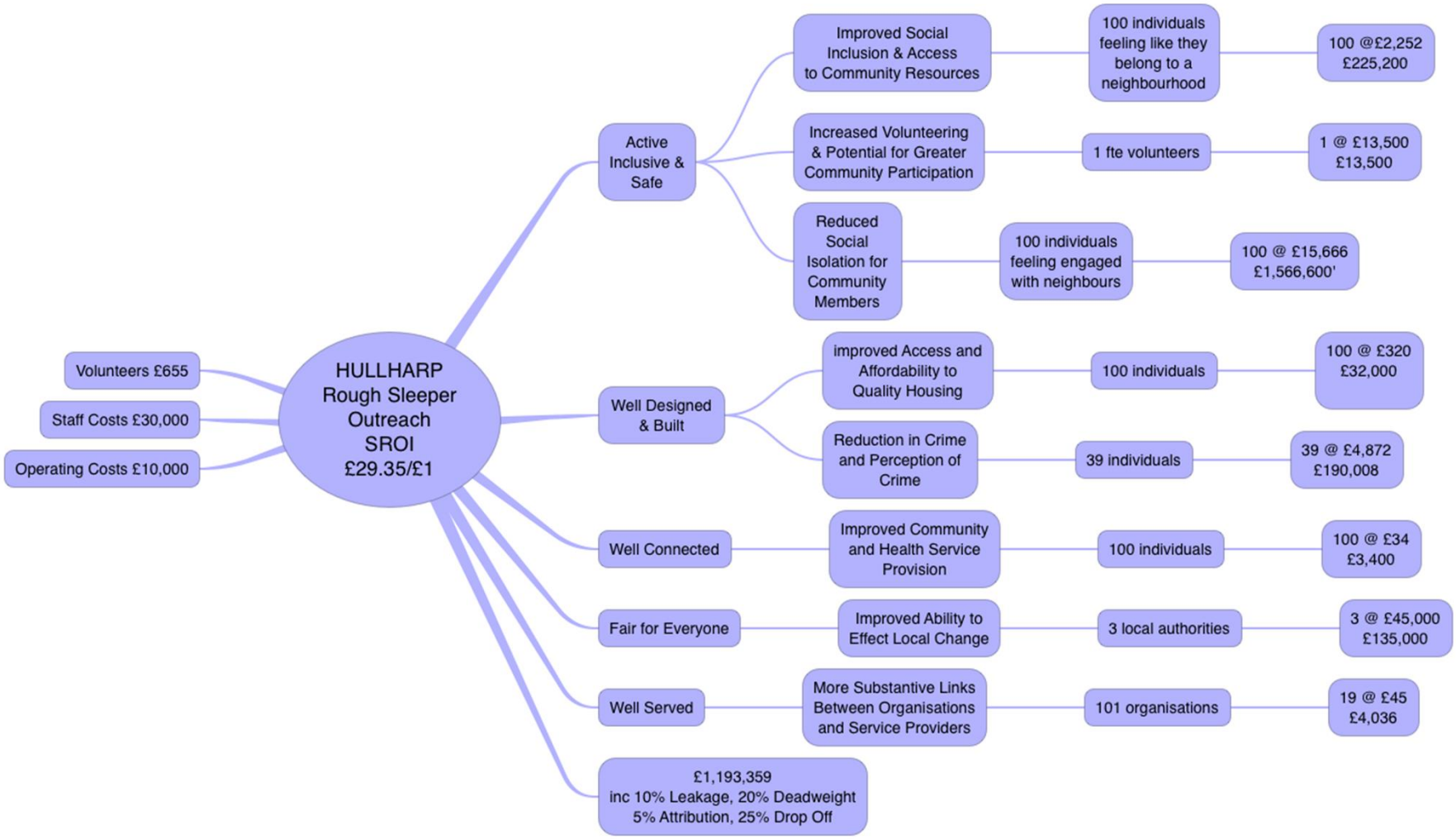
= It can help you to make better decisions:

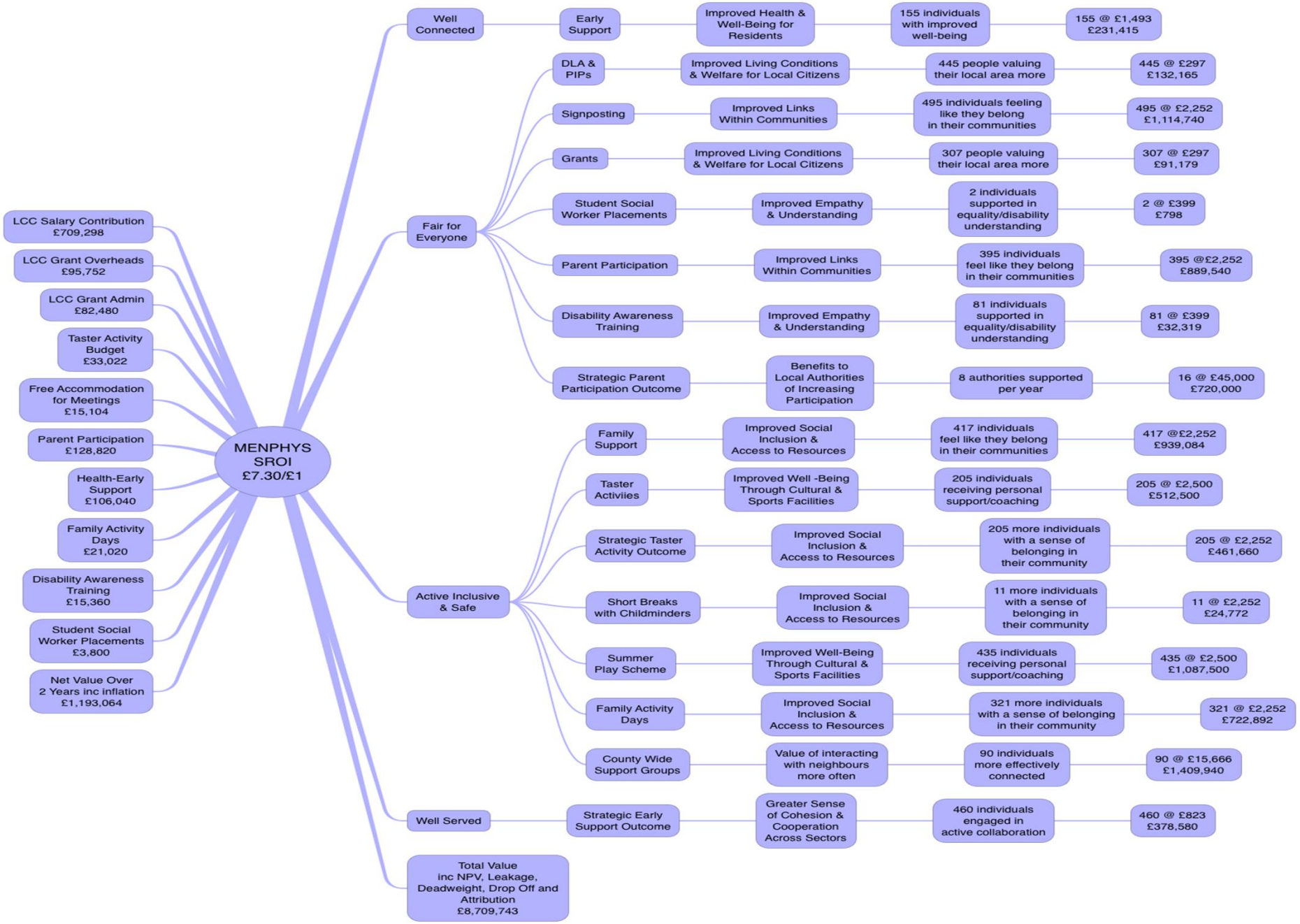
- *When planning a project/programme* – to determine the scope and specification of contracts.
- *During the bidding process* – to assess which applicant is likely to create the most value.
- *When evaluating a project/programme* – to monitor performance.

What are the limitations?

- If you don't already have good outcomes data collection systems in place it can be **time consuming first time round**.
- It requires a **diverse skills set** – from speaking with the project team to working with spreadsheets – that can be hard to find in one person.
- Having a **narrow focus on monetisation and the ratio** – this can lead to choosing inappropriate indicators. The ratio is only meaningful within the wider narrative about the difference the project has made. Ratios will also differ between capital & revenue, one off and longer term projects.
- **Some outcomes cannot be easily associated with a monetary value** (e.g. improved family relationship).
- SROI is **a developing area**…there is a need to systemise outcomes so people are using the same proxies: **The Global Value Exchange** http://www.globalvaluexchange.org/

Case Studies


HULLHARP
Rough Sleeper
Outreach
SROI
£29.35/£1
Volunteers £655
Staff Costs £30,000
Operating Costs £10,000
Active Inclusive & Safe
Improved Social Inclusion & Access to Community Resources
100 individuals feeling like they belong to a neighbourhood
100 @£2,252 £225,200
Increased Volunteering & Potential for Greater Community Participation
1 fte volunteers
1 @ £13,500 £13,500
Reduced Social Isolation for Community Members
100 individuals feeling engaged with neighbours
100 @ £15,666 £1,566,600'
Well Designed & Built
improved Access and Affordability to Quality Housing
100 individuals
100 @ £320 £32,000
Reduction in Crime and Perception of Crime
39 individuals
39 @ £4,872 £190,008
Well Connected
Improved Community and Health Service Provision
100 individuals
100 @ £34 £3,400
Fair for Everyone
Improved Ability to Effect Local Change
3 local authorities
3 @ £45,000 £135,000
Well Served
More Substantive Links Between Organisations and Service Providers
101 organisations
19 @ £45 £4,036
£1,193,359
inc 10% Leakage, 20% Deadweight
5% Attribution, 25% Drop Off


MENPHYS
SROI
£7.30/£1
LCC Salary Contribution
£709,298
LCC Grant Overheads
£95,752
LCC Grant Admin
£82,480
Taster Activity
Budget
£33,022
Free Accommodation
for Meetings
£15,104
Parent Participation
£128,820
Health-Early
Support
£106,040
Family Activity
Days
£21,020
Disability Awareness
Training
£15,360
Student Social
Worker Placements
£3,800
Net Value Over
2 Years inc inflation
£1,193,064
Well
Connected
Early
Support
Improved Health &
Well-Being for
Residents
155 individuals
with improved
well-being
155 @ £1,493
£231,415
Fair for
Everyone
DLA &
PIPs
Improved Living Conditions
& Welfare for Local Citizens
445 people valuing
their local area more
445 @ £297
£132,165
Signposting
Improved Links
Within Communities
495 individuals feeling
like they belong
in their communities
495 @ £2,252
£1,114,740
Grants
Improved Living Conditions
& Welfare for Local Citizens
307 people valuing
their local area more
307 @ £297
£91,179
Student Social
Worker Placements
Improved Empathy
& Understanding
2 individuals
supported in
equality/disability
understanding
2 @ £399
£798
Parent Participation
Improved Links
Within Communities
395 individuals
feel like they belong
in their communities
395 @£2,252
£889,540
Disability Awareness
Training
Improved Empathy
& Understanding
81 individuals
supported in
equality/disability
understanding
81 @ £399
£32,319
Strategic Parent
Participation Outcome
Benefits to
Local Authorities
of Increasing
Participation
8 authorities supported
per year
16 @ £45,000
£720,000
Active Inclusive
& Safe
Family
Support
Improved Social
Inclusion &
Access to Resources
417 individuals
feel like they belong
in their communities
417 @£2,252
£939,084
Taster
Activiies
Improved Well -Being
Through Cultural &
Sports Facilities
205 individuals
receiving personal
support/coaching
205 @ £2,500
£512,500
Strategic Taster
Activity Outcome
Improved Social
Inclusion &
Access to Resources
205 more individuals
with a sense of
belonging in
their community
205 @ £2,252
£461,660
Short Breaks
with Childminders
Improved Social
Inclusion &
Access to Resources
11 more individuals
with a sense of
belonging in
their community
11 @ £2,252
£24,772
Summer
Play Scheme
Improved Well-Being
Through Cultural &
Sports Facilities
435 individuals
receiving personal
support/coaching
435 @ £2,500
£1,087,500
Family Activity
Days
Improved Social
Inclusion &
Access to Resources
321 more individuals
with a sense of belonging
in their community
321 @ £2,252
£722,892
County Wide
Support Groups
Value of interacting
with neighbours
more often
90 individuals
more effectively
connected
90 @ £15,666
£1,409,940
Well Served
Strategic Early
Support Outcome
Greater Sense
of Cohesion &
Cooperation
Across Sectors
460 individuals
engaged in
active collaboration
460 @ £823
£378,580
Total Value
inc NPV, Leakage,
Deadweight, Drop Off and
Attribution
£8,709,743

Group Discussion

- How might you use SROI?
- What would you do with the results?
- What challenges do you think SROI might bring?

Practical Exercise – from a Local Authority Perspective…

- Personal Trainers for the Elderly

Wider Policy Context

Public Services (Social Value) Act 2012

- A way of thinking about how scarce resources are allocated and used.
- It involves looking beyond the price of each individual contract and looking at what collective benefit to a community there is when a public body chooses to award a contract.
- Social value asks the question *'If £1 is spent on the delivery of services, can that same £1 be used to also produce wider benefit to the community?'*
- The Bill asks public bodies by law – for the first time – to consider the ways that it most benefits society as part of each decision.
- It applies to Local Authorities, Government departments, NHS, fire and rescue services and housing associations.
- It applies to all public services contracts and those public services contracts with only an element of goods or works. But encourages public bodies to consider social value in all forms of contracts.
- The Act sits alongside other procurement laws (value-for-money : how this is calculated, whole life cycle requirements).

Social Value Act Review – Lord Young, February 2015

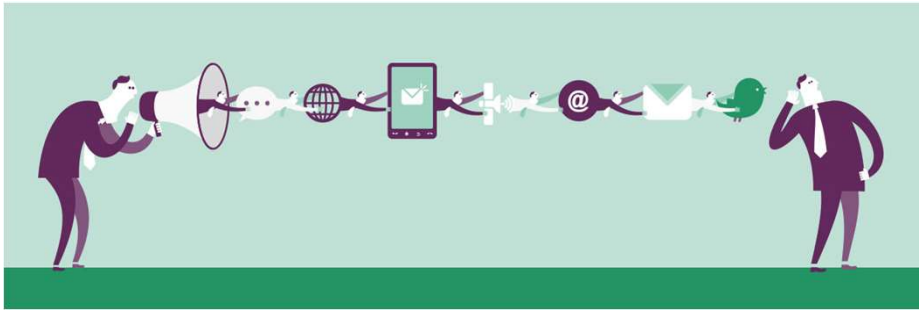
How has the Act fared in its first 2 years?

- Where is has been taken up it has encouraged a more holistic approach to commissioning (quality = best value & cost savings).
- But incorporation of social value into actual procurements is low. Three barriers:

1. *Mixed awareness/clarification of the Act*: what is social value? Will it increase bureaucracy?
2. *Inconsistent practice in its application:* how and when do we include it in the procurement process?
3. *No agreed standards for measuring*: how do we measure and quantify the social outcomes we are seeking to embed?

Recommendations & Next Steps

- The Cabinet Office *promotes awareness and take-up* of social value across public sector and business (e.g. Social Value Awards 2016).
- The Cabinet Office promotes better understanding of *how to apply the Act* - define social value, legal/procurement rules, use in pre-procurement (funded 8 pilot projects until March 2016).
- Cabinet Office to support measures to strengthen *measuring and evaluating social value* (e.g. Inspiring Impact Programme 2012-2022 – for the VCS sector what does measurement look like, how to do it, learn from others and communicate to funders).
- = Cabinet Office will be producing a paper containing examples of how Government has implemented the Social Value Act (May 2016).
- = Cabinet Office will be publishing guidance notes on Social Value for procurers (2016).



Creative responses to austerity – can social value deliver more bang for your buck?

"Social value has real potential to act as a value for money tool for commissioners tackling severe cost pressures" Lord Young

- Increasing demand for services with less funding/resources.
- Strategic approach encouraging interventions that are quick, effective, cheap and benefit society.
- Procurement approach - identifying outcomes for each and every contract. Scoring responses as to how they will deliver the outcome. Measuring and verifying suppliers deliver against the outcome.
- Project/Individual approach to evidencing social value (necessity, efficacy and fairness).
- = How can we use the public pound to get much-needed resources into our local communities?

Inspiring social value in Barnsley

- *Corporate Plan (2015-2018):* remodelling services and to continuously benchmark, quality assure, performance manage and improve. (i) thriving and vibrant economy, (ii) people achieving their potential and (iii) strong and resilient communities.
- *Procurement Strategy (2013-2016):* Produce a Toolkit to support the specification of social value in its tenders (skills, training and apprenticeships).
- *Area governance arrangements (6 area councils & 21 ward alliances)*: Produce key principles/a strategy for dealing with community groups to maximise local provision, social value and co-production.

  = commissioning and procurement steps.
- Where next…***measurement*** to differentiate the added social value offered, using ***devolved budgets*** to deliver local priorities/services (statutory/discretionary, demand) and ***sharing good practice***.

BETTER BARNSLEY

Group Discussion

- What steps can councils take to realise SROI in the services they commission or deliver?
- What opportunities does an SROI approach offer to VCS organisations?
- What more needs to happen (within councils and the VCS) to embed an SROI approach?

Summing Up

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