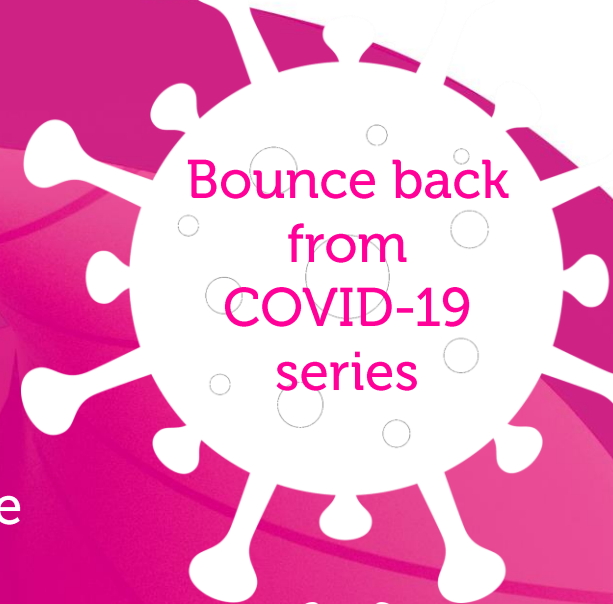
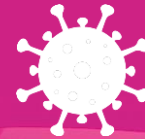




Social Return on Investment (SROI): Demonstrating your organisation's value

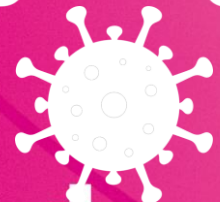
Dr. Kakia Chatsiou

Senior Research Officer
achats@essex.ac.uk
@kakiac



The webinar will be starting at 10.30 am UK time

Webinar Material available:
<https://kakiac.github.io/talks>





Dr Kakia Chatsiou Senior Research Officer

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Dr Kakia Chatsiou's research focuses on the areas of public administration evaluation, data science and natural language processing. Pushing new boundaries of research, she has worked as an evaluation and data compliance consultant with local authorities (including Essex and Suffolk County Councils and Essex Fire and Rescue Service) as well as voluntary sector organisations.

Dr Chatsiou leads training for policy makers on evaluation practices, text analytics and data sharing and acts as a catalyst for change at both a strategic and operational level. Interested in the ways data and evidence can help us better understand our society, she balances research expertise with sector knowledge, for impact from the grassroots up.



The background is a vibrant pink color with a series of thin, curved lines that create a sense of depth and movement. A prominent feature is a large, dark pink, wavy shape that resembles a tunnel or a thick, curved band, curving across the middle of the frame. The overall effect is modern and dynamic.

About us



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Outline

- What the SROI framework is & how it can help you
 - How it originated
 - How you can use it to measure extra-financial value not reflected in conventional financial accounts
- SROI Principles
- An example – ‘Meals 2 Wheels’
- Limitations and issues to consider
- Other ways to measure social value and useful resources





Social Return on Investment: brief intro



Social Return on Investment





Social Return on investment



a principles-based method for measuring **extra-financial value** (such as environmental or social value not currently reflected or involved in conventional financial accounts).



a technique for summarizing the value of companies' environmental and social benefits in terms of a dollar value equivalent ([Lingane & Olsen, 2004](#))





Poll

Have you ever used Social Return on Investment to measure the impact of your organisation?

Have you ever used #Social Return on Investment to measure the societal value or #impact of your organisation?

You can see how people vote. [Learn more](#)

Yes, only SROI

No but have used other methods

No, I have not used any

0 votes • 2w left • [View results](#)

<http://bit.ly/SROIpoll1>





Social Return on Investment

- consistent quantitative approach to understanding and managing the impacts of a project, business, organisation, fund or policy.
- accounts for **stakeholders' views of impact**
- puts **financial 'proxy' values** on all those impacts identified by stakeholders which do not typically have market values.





SROI: Why does social value matter?

- going beyond financial statements
- looking at **value** not just cost
- aims to increase social equality, environmental sustainability and wellbeing





SROI might be a helpful tool for you if...

- you want to understand more about how your organisation makes an impact – and how much this matters
- you need to prove your value to others
- you want to focus your efforts on where you make the most difference
- you may be a social enterprise, a public authority, a business an investor or a charity





SROI is not for you if...

- you already know what difference you make – and you can prove it
- you are an experienced evaluator with an understanding of cost-benefit analysis (you will find today's talk it too basic but have a look at the SROI Network's "Guide to Social Return on Investment" instead).





The evolution of the SROI framework

- 2000: REDF, initial concept borrowed from CBA
- 2002: Hewlett Foundation's Blended Value Project, by Alison Lingane and Sara Olsen in [California Management Review](#)
- 2006: *Social Return on Investment: a Guide to SROI* book
- 2007: New Economics Foundation, *DIY Guide to Social Return on Investment*
- 2009: Social Value UK, *Guide to SROI*
- 2017: SROI International, *Social Value standards*





Key questions to ask...

Who changes?	Taking account of all the people, organisations and environments affected significantly.
How do they change?	Focusing on all the important positive and negative changes that take place, not just what was intended.
How do you know?	Gathering evidence to go beyond individual opinion.
How much is you?	Taking account of all the other influences that might have changed things for the better (or worse).
How important are the changes?	Understanding the relative value of the outcomes to all the people, organisations and environments affected.





SROI – key concepts

- **5 questions** (who, where, why, what, when)
- **7 principles**
- **Monetisation:** It bases the assessment of value in part on the perception and experience of stakeholders, finds indicators of what has changed and tells the story of this change and, where possible, uses monetary values for these indicators

SROI analysis does not necessarily refer not to one single ratio but more to a way of reporting on value creation.





7 principles of SROI

1. Involve stakeholders (i.e. everyone who has a 'stake' or an interest in the subject of the SROI)
2. Understand what changes (for those stakeholders)
3. Value what matters (aka the 'monetisation principle')
4. Only include what is material
5. Do not over-claim
6. Be transparent
7. Verify the result





1. Involve Stakeholders

Inform everyone who has a stake or an interest in the subject of SROI about:

- what gets measured
- how this is measured and valued





1. Involve Stakeholders

Questions to ask:

- Who are the people and organisations we make a difference to? (directly/indirectly, positively/negatively)
- what change have they experienced as a result of their involvement/participation in (or as appropriate) our project/service/organisation?
- How could we know that these changes are happening?
- How could we involve them in understanding the value we create in the future?





2. Understand what changes

Articulate how change is created and evaluate this through evidence gathered, recognising positive and negative changes as well as those that are intended and unintended





2. Understand what changes

1. Start by listing the outcomes you deliver
 - Outcomes are changes and you can usually tell if something is an outcome because it starts with: More, Less, Longer, Shorter, better, Improved, Reduced, Greater
2. Write each outcome on a card and then group them into short, medium and long-term (decide on your own definitions).
3. Write these up – you have a draft story of change!
4. Consult stakeholders about these changes – are they all positive?





3. Value what matters (aka the monetisation principle)

- Making decisions about allocating resources between different options needs to recognise the values of stakeholders
- Value refers to the relative importance of different outcomes & is informed by stakeholders' preferences





The monetisation principle

- align and integrate performance management systems with financial management systems;
- aids communication with internal stakeholders
 - responsible for finances and resource allocation,
 - who prefer quantitative to qualitative ways of learning;
- induces transparency
 - precipitates the clarification of which values have been included and which not
- permits sensitivity analysis
 - show which assumptions are more important
- helps identify the critical sources of value
 - streamlines performance management.

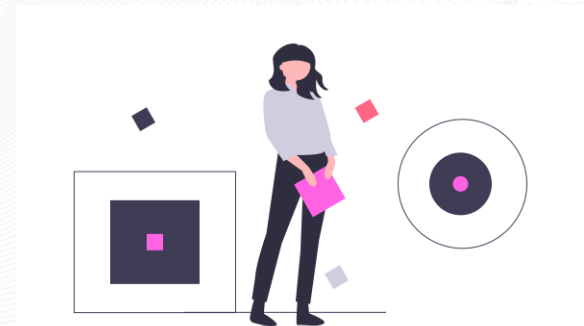




4. Only include what is material

Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact

1. Put yourself in others' shoes
2. Challenge your common understanding
3. Talk to your stakeholders about what is also important for them

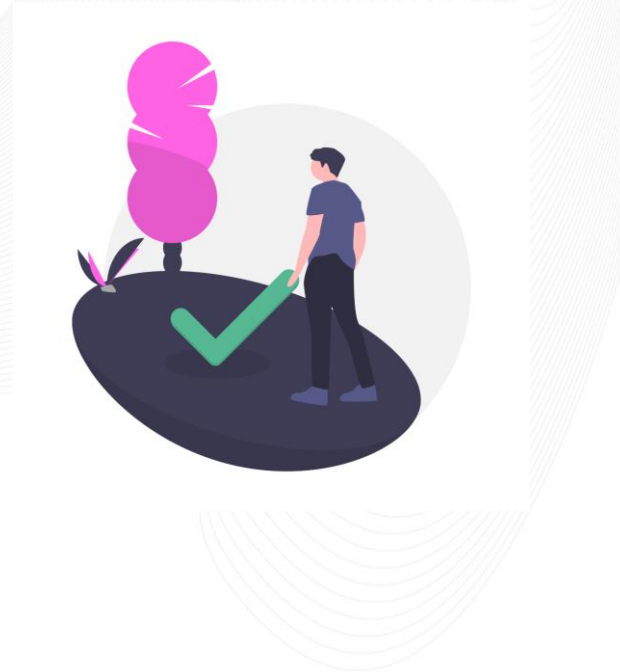




5. Do not over-claim

Only claim the value that activities are responsible for creating

1. Consider who else makes a difference
2. What would happen if your org weren't there?
3. Where can you get the evidence?

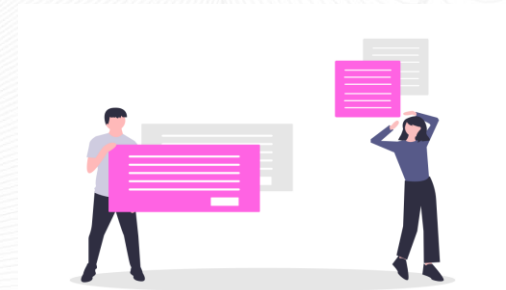




6. Be transparent

Demonstrate the basis on which the analysis may be considered accurate and honest, and show that it will be reported to and discussed with stakeholders

1. make sure that you include a full explanation of where your evidence came from (incl methods)
2. provide public access to the information (if possible)
3. check your insights with your stakeholders

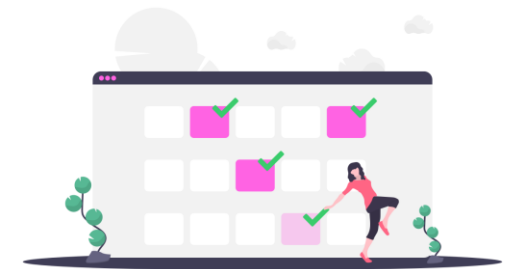




7. Verify the result

Ensure appropriate independent assurance

1. Get feedback from stakeholders
2. Get feedback from experts





How to conduct an SROI



1. Establish scope and identify stakeholders

2. Map outcomes

3. Evidence outcomes and give them a value

4. Establish impact

5. Calculate SROI

6. Report, use, disseminate

Checkout the checklists here: https://neweconomics.org/uploads/files/aff3779953c5b88d53_cpm6v3v71.pdf





An imaginary example: Meals 2 Wheels

Wheels-to-Meals – The worked example

Throughout the guide we will use the fictional example of *Wheels-to-Meals*, which is presented in this format.

This is a hypothetical example. It is used to explore the principles and processes of SROI. Some elements of the impact map have been included to support learning and provide an appropriate example.

Wheels-to-Meals is a charity that developed from a meals on wheels service provided by volunteers. Increasingly, it realised that its clients not only needed the good hot meals it provided but, equally important, the contact and socialising with the volunteers who brought them.

Wheels-to-Meals provides a luncheon club to eligible elderly and disabled local residents and the majority of the volunteers are also elderly. The luncheon club is delivered with the same resources as a meals on wheels service, except that residents are transported to meals, rather than the other way round. The service includes provision of hot, nutritious lunches, transport, opportunities to socialise, and mild exercise. The service is available for up to 30 residents, 5 days a week and 50 weeks a year.



An imaginary example: Meals 2 Wheels

Organisation	Wheels-to-Meals	
Objectives	Provide luncheon club for 30 elderly local residents with additional health and social benefits by bringing residents to meals	
Scope	Activity	30 places for eligible elderly and/or disabled local residents 5 days a week, 50 weeks of the year
	Contract/Funding/Part of organisation	Local Authority Grant





How to conduct an SROI



1. Establish scope and identify stakeholders

2. Map outcomes

3. Evidence outcomes and give them a value

4. Establish impact

5. Calculate SROI

6. Report, use, disseminate

Checkout the checklists here: https://neweconomics.org/uploads/files/aff3779953c5b88d53_cpm6v3v71.pdf



Stage 1		Stage 2			
Stakeholders	Intended/unintended changes	Inputs		Outputs	The Outcomes
		Description	Value £		
Who do we have an effect on? Who has an effect on us?	What do you think will change for them?	What do they invest?		Summary of activity in numbers	How would you describe the change?
elderly / disabled residents	residents use health services less	time	£0	luncheon club: – group activities (board games, craft, mild/therapeutic exercise, info and awareness sessions)	the mild/therapeutic group exercise sessions made residents fitter, they had fewer falls and ended up in hospital less
	residents get out of the house more				the GP practise nurse group sessions helped residents manage their health and symptoms better and they were healthier
					residents made new friends and spent more time with others through the group activities
local authority	residents provided with nutritious meal	meals on wheels contract (annual)	£24,375		residents had nutritious meals with 3 (out of) 5-a-day and they were healthier
Wheels-to-Meals volunteers (retired)	keep active	time (at min wage) 4 volunteers x 3 hrs x 5 days x 50 wks x £6 (forecast)	£18,000	– transport for 30 people	material outcomes for residents only (not for council). All outcomes for this stakeholder already considered above.
neighbours of elderly/ disabled residents	look out for neighbours	time	£0	– 7500 hot meals annually	healthier volunteers (retired)
					reduction in neighbourly care/shopping and break-down of informal community networks
Total			£42,375		

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The Outcomes (what changes)

Indicator	Source	Quantity	Duration	Financial proxy	Value £	Source
How would you measure it?	Where did you get the information from?	How much change was there?	How long does it last?	What proxy would you use to value the change?	What is the value of the change?	Where did you get the information from?
fewer falls and associated hospital admissions/stays annually	oneoff research	7	1 year	accident&emergency	£94.00	NHS cost book 07/08
			1 year	geriatric assessment inpatient	£4,964.00	
			1 year	geriatric continuing care-Inpatient (average 5 wks x £1,444)	£7,220.00	
fewer GP visits annually (appointments) and residents report improvement in physical health	questionnaire and interviews	90	5 years	GP consultation	£19.00	NHS cost book 2008
new clubs/group activities joined during year and residents report an increase in personal wellbeing/ feeling less isolated	questionnaire	16	1 year	average annual membership/cost	£48.25	current average costs of bus trips, bingo and craft clubs
fewer District Nurse visits and residents reporting increased physical activity of 3 hours or more a week	questionnaire	14	2 years	District Nurse visits	£34.00	NHS cost book 07/08
volunteers report increased physical activity of 3 hours or more a week since volunteering	volunteer annual assessment	4	1 year	annual elderly residents swimming pass	£162.50	local authority
fewer instances of neighbours shopping for residents annually	One-off survey	275	3 years	supermarket online shopping delivery fee	- £5.00	www.tesco.co.uk

1 #data2life

Stage 1

Stakeholders	Intended/unintended changes
--------------	-----------------------------

Who do we have an effect on? Who has an effect on us?	What do you think will change for them?
--	---

elderly / disabled residents	residents use health services less
	residents get out of the house more

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Stage 1 →

Stage 2 →

Stakeholders	Intended/unintended changes	Inputs		Outputs	The Outcomes
		Description	Value £		Description
Who do we have an effect on? Who has an effect on us?	What do you think will change for them?	What do they invest?		Summary of activity in numbers	How would you describe the change?
elderly / disabled residents	residents use health services less	time	£0	luncheon club:	the mild/therapeutic group exercise sessions made residents fitter, they had fewer falls and ended up in hospital less
	residents get out of the house more			– group activities (board games, craft, mild/therapeutic exercise, info and awareness sessions)	the GP practise nurse group sessions helped residents manage their health and symptoms better and they were healthier
					residents made new friends and spent more time with others through the group activities
					residents had nutritious meals with 3 (out of) 5-a-day and they were healthier



Stage 1 duplicate	Stage 2 duplicate	Stage 3						
Stakeholders	The outcomes	The Outcomes (what changes)						
	Description	Indicator	Source	Quantity	Duration	Financial proxy	Value £	Source
Groups of people that change as a result of the activity	How would you describe the change?	How would you measure it?	Where did you get the information from?	How much change was there?	How long does it last?	What proxy would you use to value the change?	What is the value of the change?	Where did you get the information from?
elderly / disabled residents	the mild/therapeutic group exercise sessions made residents fitter, they had fewer falls and ended up in hospital less	fewer falls and associated hospital admissions/stays annually	oneoff research	7	1 year	accident&emergency	£94.00	NHS cost book 07/08
					1 year	geriatric assessment inpatient	£4,964.00	
					1 year	geriatric continuing care-Inpatient (average 5 wks x £1,444)	£7,220.00	
	the GP practise nurse group sessions helped residents manage their health and symptoms better and they were healthier	fewer GP visits annually (appointments) and residents report improvement in physical health	questionnaire and interviews	90	5 years	GP consultation	£19.00	NHS cost book 2006
	residents made new friends and spent more time with others through the group activities	new clubs/group activities joined during year and residents report an increase in personal wellbeing/feeling less isolated	questionnaire	16	1 year	average annual membership/cost	£48.25	current average costs of bus trips, bingo and craft clubs
residents had nutritious meals with 3 (out of) 5-a-day and they were healthier	fewer District Nurse visits and residents reporting increased physical activity of 3 hours or more a week	questionnaire	14	2 years	District Nurse visits	£34.00	NHS cost book 07/08	



Stage 1 duplicate	Stage 2 duplicate	Stage 4			
Stakeholders	The outcomes	Deadweight	Attribution	Drop Off	Impact
	Description	%	%	%	
Groups of people that change as a result of the activity	How would you describe the change?	What would have happened without the activity?	Who else contributed to the change?	Does the outcome drop off in future years?	Quantity times financial proxy, less deadweight, displacement and attribution
elderly / disabled residents	the mild/therapeutic group exercise sessions made residents fitter, they had fewer falls and ended up in hospital less	0%	5%	50%	£625.10 £33,010.60 £48,013.00
	the GP practise nurse group sessions helped residents manage their health and symptoms better and they were healthier	0%	10%	10%	£1,539.00
	residents made new friends and spent more time with others through the group activities	10%	35%	0%	£451.62
	residents had nutritious meals with 3 (out of) 5-a-day and they were healthier	100%	0%	0%	£0.00



Stage 1 duplicate	Stage 2 duplicate	Stage 5				
Stakeholders	The outcomes	Calculating Social Return				
	Description	Discount rate (%)		3.5%		
Groups of people that change as a result of the activity	How would you describe the change?	Year 1 (after activity)	Year 2	Year 3	Year 4	Year 5
elderly / disabled residents	the mild/therapeutic group exercise sessions made residents fitter, they had fewer falls and ended up in hospital less	£625.10	£0.00	£0.00	£0.00	£0.00
		£33,010.60	£0.00	£0.00	£0.00	£0.00
		£48,013.00	£0.00	£0.00	£0.00	£0.00
	the GP practise nurse group sessions helped residents manage their health and symptoms better and they were healthier	£1,539.00	£1,385.10	£1,246.59	£1,121.93	£1,009.74
	residents made new friends and spent more time with others through the group activities	£451.62	£0.00	£0.00	£0.00	£0.00
	residents had nutritious meals with 3 (out of) 5-a-day and they were healthier	£0.00	£0.00	£0.00	£0.00	£0.00



Similar frameworks

- SROI vs Cost Benefit Analysis
 - While SROI builds upon the logic of cost-benefit analysis, it is different in that it is explicitly designed to inform the practical decision-making of enterprise managers and investors focused on optimizing their social and environmental impacts. By contrast, cost-benefit analysis is a technique rooted in social science that is most often used by funders outside an organization to determine whether their investment or grant is economically efficient, although economic efficiency also encompasses social and environmental considerations.





Similar frameworks

- SROI vs Financial management
 - While in financial management the term ROI refers to a single ratio, unlike Social Earnings Ratio (S/E Ratio), SROI analysis does not necessarily refer not to one single ratio but more to a way of reporting on value creation. It bases the assessment of value in part on the perception and experience of stakeholders, finds indicators of what has changed and tells the story of this change and, where possible, uses monetary values for these indicators.





Similar frameworks

- SROI vs Social accounting
- SROI vs Outcomes approaches
- SROI vs Sustainability reporting
- SROI vs Environmental impact assessment (EIA)

https://neweconomics.org/uploads/files/aff3779953c5b88d53_cpm6v3v71.pdf





SROI limitations and criticisms

- Not all benefits can be monetized – too much focus on monetization; Some outcomes are not easily associated with monetary value
- SROI can be time and resource intensive
- Might be difficult to find up to date costings and estimates
- just attaching financial values to the targets you've achieved is not SROI
 - Need to think about stakeholders and the 7 principles to get a fuller picture





Next steps...

- Have a look at the step by step guidance in



- Try out the Self assessment tool

- <https://www.socialvalueuk.org/what-is-social-value/sroi-self-assessment-tool/>





Yes, but I have limited resources/capacity...

- Use SROI with your management team spending an hour or so trying to answer the five questions.
- Applying the 7 principles will probably mean the discussion will be **different** from similar previous discussions because:
 - the starting point will be what changes stakeholders' experience, not your set targets; and
 - there will be some discussion about which changes (outcomes) are most important.





Additional Material & Resources

- Starting Out on Social Return on Investment
 - <https://www.socialvalueuk.org/app/uploads/2016/03/Starting%20Out%20Guide.pdf>
- Social value self assessment tool
 - <https://www.socialvalueuk.org/what-is-social-value/sroi-self-assessment-tool/>
- SROI guide for social entrepreneurs
 - <https://www.socialvalueuk.org/app/uploads/2017/10/MaximiseYourImpact.24.10.17.pdf>
- SROI NEF guide
 - <https://www.nefconsulting.com/our-services/evaluation-impact-assessment/prove-and-improve-toolkits/sroi/>
- SROI BT case study
 - <https://www.socialvalueuk.org/new-sroi-case-study-how-has-sroi-helped-bt/>
- Social Value UK guides
 - <https://www.socialvalueuk.org/resources/sroi-guide/>



Additional Material & Resources

- Millar, R. & Hall, K. (in press) (2012) Social Return on Investment (SROI) and Performance Measurement: The Opportunities and Barriers for Social Enterprises in Health and Social Care. Public Management Review.
 - http://pure-oai.bham.ac.uk/ws/files/10157450/Social_Return_on_Investment_SROI_and_Performance_Measurement.pdf
- SROI Value Map
 - <https://www.socialvalueuk.org/resource/blank-value-map/>
 - <https://www.socialvalueuk.org/app/uploads/2020/01/Value-Map-v7.4-training-version-BW-v3.pdf>
- SROI guidance & Standards
 - <https://socialvalueint.org/social-value/standards-and-guidance/>
- Gosselin, V., Boccanfuso, D. & Laberge, S. Social return on investment (SROI) method to evaluate physical activity and sport interventions: a systematic review. *Int J Behav Nutr Phys Act* **17**, 26 (2020). <https://doi.org/10.1186/s12966-020-00931-w>
- Measuring value: a guide to Social Return on Investment (SROI) – **NEF**
 - <https://commdev.org/pdf/publications/Measuring-Value-A-Guide-to-Social-Return-on-Investment.pdf>



Additional Material & Resources

- Lingane A, Olsen S. Guidelines for Social Return on Investment. California Management Review. 2004;46(3):116-135.
 - <https://journals.sagepub.com/doi/abs/10.2307/41166224>
- A guide to social return on investment, New Economics Foundation
 - <https://neweconomics.org/2009/05/guide-social-return-investment>





Thank you

Q & A session

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Email: BLGDataResearch@essex.ac.uk

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Webinar Material: <https://kakiac.github.io/talks>

