

LEARNING POINT 40: measuring social added value

FOR MORE INFORMATION

If you would like more information about any of the issues mentioned in this learning point, please contact:

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- Making the case – guide to social added value
www.communitiesscotland.gov.uk
- The European Social Return on Investment Network: www.sroi-europe.org.
- The volunteering impact measurement toolkit (Volunteer Development Scotland):
www.vds.org.uk
- Proving and Improving – a quality and impact toolkit for social enterprise:
www.proveandimprove.org

We have written two Profiles which are case studies of these two tools

- North Ayrshire Fab Pad Project – which used the SROI tool
- health in mind – which used the volunteering impact tool

Other formats

You can also ask for this publication in large print, Braille or audio cassette, and we also provide translations into other languages. Please contact 0131 479 5162 or email translations@communitiesscotland.gsi.gov.uk.



What are learning points?

Learning points share what people have learned from their experience in regeneration – from people working or talking together, or from research into issues and evaluation of what is happening. Learning points can help people and organisations to improve their practice through identifying what works and what doesn't.

What is this learning point about?

This learning point looks at the lessons learned from a number of Social Economy Scotland pilot projects which looked at how to measure the impact (social added value) of their work on the community. Social added value describes how a business or organisation improves the quality of life of individuals and communities.

The views expressed in learning points are those of participants at various events and are not necessarily shared by their employers, SCR or Communities Scotland.

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The pilot projects tested two different tools for measuring the social added value provided by social economy organisations:

- social return on investment (SROI); and
- the volunteering impact measurement toolkit

What are the important issues?

- Organisations are now expected to show evidence of the difference their work makes (the outcome).
- Organisations need encouragement and support to measure their social added value, but the methods and tools they use must be easy to understand, accessible and affordable.
- Organisations are at different stages of development and will require tools to suit their circumstances.
- Staff in organisations are unlikely to have the experience or skills to measure social added value and so they will need support in order to carry out this work.

What is known already?

- The business environment in which social enterprises and voluntary organisations operate is changing. As grant funding is declining organisations should consider how to replace it by generating income through service delivery or trading.
- There is no regulatory framework which provides a standardised approach to measuring social added value.
- The Scottish Government is committed to developing the social economy as a service provider. It has published a guide, "Making the Case", to help organisations see how social added value is an important aspect of the way services are delivered.
- Although social added value is a relatively new term, various tools exist to measure its impact.



Some have been in existence longer than others and are more advanced. Others are at the very early stages of development, application and evaluation.

- Social return on investment SROI is a way of measuring impact and expressing that impact in financial terms. It is based on standard accounting principles and investment appraisal techniques.
- A volunteering impact measurement toolkit was developed in 2004 by the Institute of Volunteering Research. The toolkit includes ways to measure the effects of volunteering on different stakeholders.

What has been learned?

Social return on investment SROI

- If organisations are able to provide a financial measurement of their social or environmental impact, it may help them compete for contracts from public sector agencies such as local authorities. It helps them demonstrate best value.
- SROI can put a financial value on improvements in mental health, changes in people's employment prospects, personal and social development, and changes to people's quality of life.
- Organisations find the concepts behind SROI easy to understand. But to use it, they have to have an internal monitoring system or be willing to put one in place, and to allocate staff to this time-consuming task.
- Organisations with experience of working to a contract, rather than funding their work through grants, find it easier to find the information needed by SROI.

- SROI is different to social auditing. A social audit is usually carried out independently, and shows how well an organisation is delivering its social goals, values and commitments. With SROI information is collected and analysed in a different way.
- Organisations involved in the pilot projects were able to show a significant impact and a very high social added value from their work. For example, the guest house, Six Mary's Place, estimates that for every £1 invested in the business, £6 of social benefit is generated. The £6 is made up of potential savings on health service and benefits from income earned by people who have been able to return to work.

Volunteering impact measurement toolkit

- Social economy organisations can use the toolkit to demonstrate social added value. This can be done in different ways depending on what they want to achieve by measuring the impact of their volunteers.
- The toolkit is easy to use. For example, it can be used to calculate the added economic value of volunteering.
- Organisations who have used it have a better understanding of the impact and worth of volunteering. The greatest impact is on two groups, the volunteers themselves and the service users. The toolkit measures improvements in volunteers' wellbeing, confidence and self-esteem.
- It can also highlight where improvement is needed, for example, communication between staff and volunteers.
- Using the toolkit gave volunteers, users and staff a practical role in developing and improving their organisation.
- Undertaking the assessment can attract funding. One of the organisations involved in the pilot now has funding to support five

service users and to measure their success in using the toolkit.

- It is useful to have some external support while using the toolkit, both from a support agencies and other organisations who are using it.

What next?

In the future it will be important to:

- encourage the use of tools to collect good quality information which can be used to convince commissioners of services, funders and investors that social economy organisations do more than just 'get the job done';
- keep improving the accessibility of tools to measure social added value through training, guides and information sessions;
- find ways to share learning between social economy organisations using the tools, such as through peer support groups; and
- convince funders that measuring social added value should be part of project proposals and funding applications.

