



Ways to demonstrate social benefit.

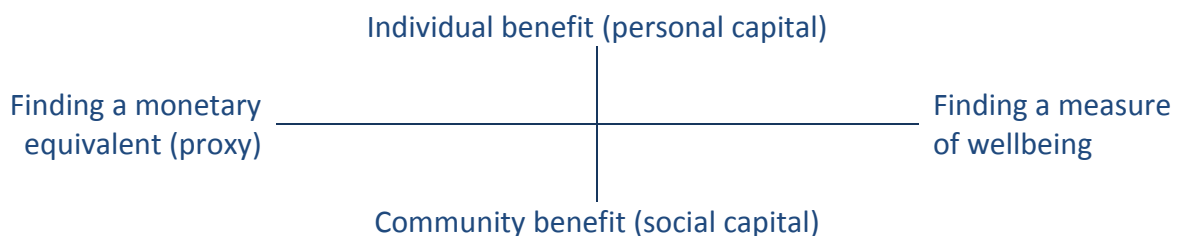
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There is no single accepted way to show your activities provide social or environmental benefits. Below is a personal perspective from Jez Hall, of Shared Future CIC.

This subject, of accounting for your social and environmental benefit, often falls into two different approaches to the measurement of the impact and outcomes of your social enterprise.

- Quantitative (countable) measures or financial 'proxies' for social benefit,
- Qualitative (value based) or person centred judgements.

You may also want to know whether the impact is on an individual or on the community. Or indeed anywhere across a spectrum from an individual, to a family, to a neighbourhood, a community, a city or to the whole world.



At one extreme measuring benefit about doing a financial calculation.

Such as:

- Each volunteer is worth £8 per hour and there were 100 volunteer hours created, so our added value is £800'.
- A private business would charge £1000 a year to offer similar care, so our free service to 20 people provides a potential saving to the taxpayer of £20,000.
- The cost to the local tourism industry of a new factory and of cleaning up the local environment afterwards would be £10million.

A measure of wellbeing is more likely to be about outcomes and feelings.

It might be more like:

- In a survey 50% of local people felt they trusted their neighbours.
- As a result of our service our clients say they are happier, more confident, and could access opportunities previously denied them. They also visited their GP 20% less than before.
- Local people tell us "we like living here and we want to make it better".

The issue can be further complicated because social or environmental benefits can take a long time to show, maybe many years. But a service contract may be only for a couple of years. So some approaches try to measure the 'whole life impact' or long-term benefit of an activity, covering any number of years. Often that can only be a 'reasonable' estimate of what you think may happen.

Which approach you choose depends on WHY you are seeking to measure this benefit.

It might be to improve your service by better understanding what you do (internal accountability or evaluation) or to report to funders, regulators or other people to prove the value of your work (external accountability). You should also consider a mix of approaches as each gives different sorts of information. Funders and public services generally prefer money based measures, whilst your client group or community may care more about the 'softer', more qualitative, outcomes.



Choosing depends on what you want (or are able) to give towards reporting on your benefit.

Some of the financial measures are very complicated, taking into account lots of factors, and likely to be too expensive (in both time and money) for a small organisation. But even measuring the softer and more subtle 'perceptions of benefit' such as asking people how they feel, or doing in depth local research can take time. So it's important to plan early on and capture information as you go.

Social enterprises often need financial measures for social or environmental outcomes.

To compete for contracts (tenders), and as public bodies often prefer financial measures, larger social enterprises will need to choose a method for valuing their work in monetary terms. By doing so a social enterprise can often show they offer better value than a private company, even if the 'headline' cost of their service is greater.

Some people however feel this 'market' based undermines the true value of social enterprise. After all, how can you put a price on a smile? Or a cost on the enjoyment you get from an artistic or creative activity, or from a sense of fairness and justice.

So, the challenge is finding a measure that fits your own needs, captures what you want to learn, is not too expensive in terms of time, money or knowledge, but is strong enough to be accepted by outsiders.

A short list of different tools, roughly ordered from the more social to the more financial:

Community mapping: <http://www.communityplanning.net/methods/mapping.php>

Participatory Appraisal: a broad empowerment approach that seeks to build community knowledge and encourage local action. <http://www.peopleandparticipation.net/display/Methods/Participatory+Appraisal>

Placecheck: Assessing the 'health' of a community. <http://www.placecheck.info/>

Impact assessment: Advice on a range of techniques. <http://www.ces-vol.org.uk/index.cfm?pg=663>

Balance: An online diagnostic management tool for socially enterprising organisations: <http://www.socialenterprisebalance.org>

Proving and improving: A quality and impact tool for social enterprise. Helps social enterprises explore ways to measure their impact and demonstrate the quality of their work. <http://www.proveandimprove.org>.

Social enterprise mark: A kite mark or quality standards framework for social enterprise: <http://www.socialenterprisemark.org.uk>.

AA1000: Principles-based standards for helping organisations become more accountable, responsible and sustainable: <http://www.accountability.org/standards>.

Social Accounting and Audit - The Social Audit Network promotes and supports social audit and accounting: <http://www.socialauditnetwork.org.uk>.

Measuring value creation in Social Firms: A 'do-it-yourself' training manual for social return on investment. A guide to help social enterprises to understand, measure and raise awareness of their impacts. <http://socialfirms.co.uk/resources/mapping-and-social-impact-measurement>.

Social Return on Investment: Methods for social enterprises who wish to demonstrate the social return on investment of their organisation. <http://www.sroi-uk.org>.

LM3: Enables you to calculate your organisation's economic contribution to its community through delivering locally and supporting local economic sustainability. <http://www.lm3online.org/>

Ecological footprint analysis: http://en.wikipedia.org/wiki/Ecological_footprint