

IMPACT ASSESSMENT

What is social impact and why measure it?

Social Impact is the effect of an activity on the social fabric of the community and well-being of individuals and families

- Social enterprises often provide multi-faceted social, environmental, and economic benefits
- Impact assessment tools enable social enterprises to define and demonstrate, and advertise these benefits when bidding for contracts, or selling their goods and services
- This information provides substance and strength to contract bids, informing commissioners and partners of the added or increased benefits of social enterprise, increasing their influence and success

When considering social impact assessment, it is important to find appropriate indicators which are relevant to your organisation and activity. It is important to give consideration to the variety of tools that are out there, as these can be used by different organisations at different stages of development

What are some of the main social impact assessment tools used?

Social Return on Investment (SROI)

SROI measures social, environmental and economic outcomes and uses monetary values to represent them. This enables a ratio of benefits to costs to be calculated. For example, a ratio of 3:1 indicates that an investment of £1 delivers £3 of social value.

An SROI analysis can encompass the social value generated by an entire organisation, or focus on just one specific aspect of the organisation's work, and can be an in-house exercise or led by an external researcher.

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

e.g., Selling Added Value

Selling Added Value is an SROI based course, delivered by the Social Enterprise Support Centre in Yorkshire and Humber.

Designed to help identify the added value created by social enterprise, the course tells 'your story' through the development of an impact map that highlights the outcomes your service is delivering.

The approach is tailored to improve the prospect of winning tenders by using a qualitative management approach.

www.sellingaddedvalue.co.uk

Social Accounting

Social Accounting establishes a framework for ongoing monitoring, evaluation and accountability to stakeholders both internal and external to the organisation.

Social Accounting can help an organisation to investigate its activities and performance against its own social, environmental and economic objectives, and ensure that it is working in accordance with its values and stakeholder priorities.

Social accounting should be:

- **Multi-perspective:** encompassing the views of people that are important to the organisation
- **Comprehensive:** inclusive of all activities
- **Comparative:** able to be viewed in the light of other organisations and addressing the same issues within the same organisations over time
- **Regular:** done on an ongoing, regular basis
- **Verified:** checked by external people
- **Disclosed:** readily available to others inside and outside of the organisation

The Balance Scorecard uses four criteria:

- **Social Impact:** defined in the mission and aims
- **Return and financial sustainability**
- **Business Model:** how the enterprise operates and how products and services support social impact.
- **Organisational Development:** the way the enterprise grows and develops, including recruitment, promotion, and training staff.

Balance Scorecard

Similar to Social Accounting, the Balance Scorecard is an exercise which helps organisations manage and improve performance against social or environmental aims and objectives. It also helps plan activities to ensure long-term strategies are met according to these aims.

How do you make the most of social impact assessment?

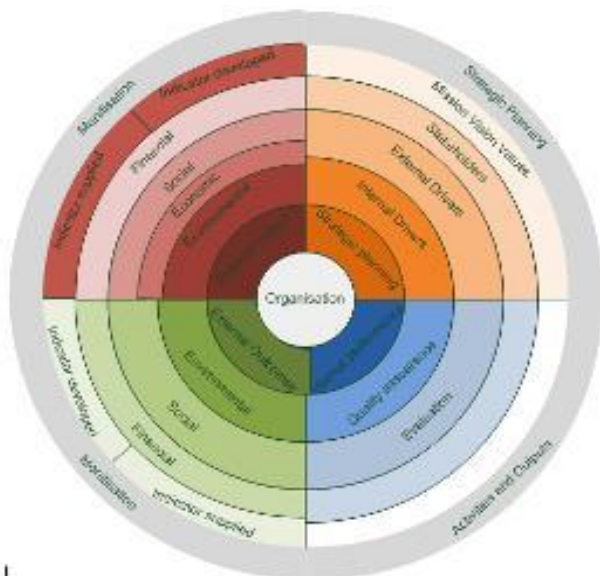
- Social enterprises provide a number of added benefits to their products, services, and business models, and so they need to shout about it!
- Use impact assessment to formalise what those benefits are, and share this information as widely as possible. Be realistic about what can be achieved, and then tenacious about achieving it.
- Working closely with commissioning and procurement teams is essential to demonstrate the breadth of social enterprise services on offer and the added value leveraged by their activities. It is important to find the right “champions” within a commissioning body or department.
- Facilitated sessions with commissioner teams can share knowledge about the different types of tools out there and how to embed them into contract opportunities.

How do I know what tool is right for my organisation?

The Outcome Assessment for Social Enterprise (OASES) project, by Social Enterprise London, aims to:

- Develop a framework to enable social enterprises to make informed decisions on which impact measurement tool is best for their organisation
- Provide social enterprise leaders with the skills to undertake impact measurement: much needed, particularly when bidding for public sector contracts

More information at <http://www.sel.org.uk/impact-assessment.aspx>



As Social Enterprise London, SEL, explains; “the quadrants of the framework describe four elements of an organisation: strategic planning, performance measurement, external outcomes and external impact. Once an organisation determines the area(s) they are keen to measure and report the value of, they are directed to the tools and methodologies suitable for their selection.”

The framework is extremely comprehensive, including a wide range of measurables and assessment tools. SEL has developed a suitable training programme to accompany the framework, and explore it with social enterprises.

Where can I find more information on Impact Assessment?

The New Economics Foundation website has a comprehensive “Proving and Improving: a quality and impact toolkit for social enterprise”

- <http://www.proveandimprove.org/new/index.php>

Business Link London – Balance scorecard information

- www.blondon.com/SocialEnterprise/Strategy/Strategictools/Balancedscorecard.aspx

The SROI network – Accounting for Value

- www.thesroinetwork.org/

Selling Added Value is an SROI based course, delivered by the Social Enterprise Support Centre in Yorkshire and Humber.

- <http://www.sellingaddedvalue.co.uk/>

A guide to Social Return on Investment, Office of the Third Sector, 2009

- www.sroi-uk.org

The Social Enterprise Coalition Business Support page has examples and case studies of Impact Assessment in practice

- www.socialenterprise.org.uk