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# What contribution can the voluntary and community sector make to the local economy?

1. The sector is a significant economic actor in its own right;
2. The sector can connect the social and the economic;
3. The sector can reduce public service demand.



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# Saffron Acres Case study

- [https://www.youtube.com/watch?v=ej\\_6Vqk3yCo](https://www.youtube.com/watch?v=ej_6Vqk3yCo)



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## Case study example: Moseley Community

### Development Trust Economic impact

- Moseley CDT is a local charity formed in 2000 to help improve the local neighbourhood through social, economic and environmental projects activities.
- The organisation used LM3 tool to measure their economic impact in in the area of Moseley.
- The impact measurement considered the organisations annual income, local expenditure on staff and businesses and the local re-spend of this money.

## Case study example: Moseley Community Development Trust Economic impact

- How did they do it?
  - Defining the ‘local’ boundary
  - Surveying staff, local businesses to work out the level of local spending

Round	Type	Amount
Round 1	Initial Income	£259, 834.35
Round 2	Local Staff Spend	£85, 795.78
Round 2	Local Supplies	£20, 069.51
Round 3	Local Staff re-spend	£12, 555.58
Round 3	Local Business re-spend	£7, 528.22

- Add up all the rounds and divide by initial income. LM3 = 1.48. For every £1 generated they generate an additional 48p spend within Moseley.



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# Measuring your economic and social impact

8 July 2014

Bassetlaw

## What do we mean by social and economic impact?

- “social impact measurement is the process of providing evidence that your organisation - whether it is a social enterprise, voluntary or community organisation or traditional business - is doing something that provides a real and tangible benefit to other people or the environment”

## Reasons to measure your impact

- Evaluates organisations performance
- It allows an assessment of whether resources are being used wisely
- Helps an organisation demonstrate its success in tackling a particular cause
- Provides accountability to key stakeholders
- Raises profile, reputation with clients, partners and investors
- Demonstrates best practice in the industry



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# Using a theory of change framework

- Theory of Change defines all building blocks required to bring about a given long-term goal.
- This set of connected building blocks—interchangeably referred to as outcomes, results, accomplishments, or preconditions is depicted on a map known as a pathway of change/change framework, which is a graphic representation of the change process.





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# Six Stages of TOC

- **TOC maps out your initiative through 6 stages:**
- Identifying long-term goals
- Backwards mapping and connecting the preconditions or requirements necessary to achieve that goal and explaining why these preconditions are necessary and sufficient.
- Identifying your basic assumptions about the context.
- Identifying the interventions that your initiative will perform to create your desired change.
- Developing indicators to measure your outcomes to assess the performance of your initiative.
- Writing a narrative to explain the logic of your initiative.

# Understanding your impact: what change do you want to make?

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can make our  
streets safer.  
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# Define your cause

A 'Cause' is a social, environmental or economic issues that needs to be tackled to improve well-being amongst the population or world.

## Demonstrating the Cause

- What problem are you solving?
- Can you identify statistical evidence
- Undertaking own research to provide statistics
- Can you use these stats as benchmarks for comparison?



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# Vision for change

- This should be one sentence, which captures the issue, outcome/change you want to make, the target audience and geographical area and time frame if applicable.
- If you are tackling more than one cause or support more than one type of beneficiary you might have more than one aim.
- Are your aims measurable?
- Can each of your services or interventions link into these aims. i.e. do your services tackle the vision and aims.

## Define your stakeholders

- Who are your stakeholders? E.g. beneficiaries, funders, investors, public sector, board, volunteers, employees, media
- What do you want to demonstrate to them?
- Rank your stakeholders in order of importance to help determine how you measure outcomes for their benefit.

## Tackling the cause

- Your objectives (activities/services/interventions) should detail how you will achieve your aim.
- Is there research/statistical evidence that these activities are the most effective method to tackling the problem.
- Your objectives may change as you innovate your service in response to changing demands, new technology or customer feedback

# The scale of your intervention

- Outputs quantify the scale of the activities that you plan to deliver.
- Each year you should look to set target outputs and measure actual outputs on a real time basis
- Key influences on outputs- financial, strategic, contractual, impact

# Measuring change

- Outcomes describe the impact/change in a situation as a result of the activity/intervention
- Outcomes demonstrate how the organisation is achieving its aim.
- Consider breaking your outcomes down into soft, hard, short-term, medium term and long-term outcomes
- Consider creating SMART targets for your outcomes over a specified time period to measure your achievement against these targets annually.



# Theory of Change Example

- <http://www.youtube.com/watch?v=dpb4AGT684U> – theory of change
- <http://www.youtube.com/watch?v=zHLs503L5Lw> – theory of change action plan
- Theory of change template and guide  
<http://www.clinks.org/sites/default/files/TheoryofChangeGuide.pdf>

# Capturing your impact

- To measure your impact you need to capture and record data relating to your activities and your clients at the beginning, at the end of the intervention and possibly beyond through an evaluation process.
- Creating a baseline for your outcomes
- Measuring change over the period of the intervention
- Using a range of data collection methods

# Evaluating and applying your impact data

- Capturing and storing data
- Qualifying your data
- Communicating your impact
- Applying your impact data
  - Quality standard marks
  - Continual Improvement process
  - Cause related marketing

# Using Measurement Impact Tools

- Many tools on the market, but you need to have the data to be able to use these tools effectively
- SROI tool enables you to be able to demonstrate how your intervention results in cost savings for organisations such as NHS, police, local authority



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# SROI

- Social Return on Investment (SROI) is a framework for measuring and accounting for this much broader concept of value; it seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental and economic costs and benefits.
- SROI measures change in ways that are relevant to the people or organisations that experience or contribute to it. It tells the story of how change is being created by measuring 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.
- SROI is about value, rather than money. Money is simply a common unit and as such is a useful and widely accepted way of conveying value.



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# SROI

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



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# SROI

## The stages in SROI

Carrying out an SROI analysis involves six stages:

- 1. Establishing scope and identifying key stakeholders.** It is important to have clear boundaries about what your SROI analysis will cover, who will be involved in the process and how.
- 2 Mapping outcomes.** Through engaging with your stakeholders you will develop an impact map, or theory of change, which shows the relationship between inputs, outputs and outcomes.
- 3 Evidencing outcomes and giving them a value.** This stage involves finding data to show whether outcomes have happened and then valuing them.



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# SROI

4. **Establishing impact.** Having collected evidence on outcomes and monetised them, those aspects of change that would have happened anyway or are a result of other factors are eliminated from consideration
5. **Calculating the SROI.** This stage involves adding up all the benefits, subtracting any negatives and comparing the result to the investment. This is also where the sensitivity of the results can be tested.
- 6 **Reporting, using and embedding.** Easily forgotten, this vital last step involves sharing findings with stakeholders and responding to them, embedding good outcomes processes and verification of the report.

More information on SROI can be access here <http://www.thesroinetwork.org/>





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# Impact Tools

- **[www.proveandimprove.org](http://www.proveandimprove.org)**, the online home of proving and improving: a quality and impact toolkit for charities, voluntary organisations and social enterprise.
- **Inspiring Impact** is a programme that aims to change the way the UK voluntary sector thinks about impact. Find out more about what we aim to do, who we are, the thinking behind our work, and the difference we're making –[www.inspiringimpact.org](http://www.inspiringimpact.org)

# Accessing Data

- <http://data.gov.uk/> - There are over 9,000 datasets available, from all central government departments and a number of other public sector bodies and local authorities.
- this unit cost database [http://data.gov.uk/sib\\_knowledge\\_box/toolkit](http://data.gov.uk/sib_knowledge_box/toolkit) brings together more than 600 cost estimates in a single place, most of which are national costs derived from government reports and academic studies. The costs cover crime, education and skills, employment and economy, fire, health, housing and social services. The costs can be used by local commissioners, charitable organisations and social enterprises to inform:
  - proposals for new interventions or the redesign of existing public services and
  - feasibility studies and evaluations
- The Justice Data Lab has already been launched by the Ministry of Justice, working with NPC to explore how charities can use data on reoffending to assess the outcomes of their programmes.  
<http://www.justice.gov.uk/justice-data-lab>



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# Exercise

- Think about your organisation/project and create a basic theory of change map:
  - Think about cause, stakeholders, aims, objectives, outputs, outcomes, measurement indicators.

# Applying this to ERDF

- Understanding the issues in your local economy
- How can you address these issues?
- What evidence is there for your project?
- What are you able to achieve...outputs, outcomes, economic impact?