

South West Forum

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The Advantages and Challenges of Impact Research Approaches



University of
BRISTOL



the economic impact of social action

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Introduction: Approaches to Impact in a Social Purpose Context

The social purpose sector includes organisations with primarily social objectives which operate on a not-for-profit basis. Generally, they are charities, voluntary sector organisations or social enterprises. The services they provide have an impact on individuals, families and communities. **Understanding and putting a value on this impact can enable organisations to understand how effective their work is, as well as providing important information for funders and commissioners** (Charities Evaluation Services 2010).

The Coalition Government is committed to opening up public services to a wider range of providers from the private and not-for-profit sectors. Local Authorities and other public bodies are increasingly looking for organisations which can deliver efficient, high quality services and demonstrate the difference they make. In January 2013, the Public Services (Social Value) Act came into effect. This requires public bodies in England and Wales to consider how they can improve the economic, social and environmental well-being of an area through the services they purchase. **This provides an opportunity for social purpose organisations which can demonstrate the impact of their work.** It also presents a challenge for organisations to find the right approach to demonstrating their value.

The Proving Our Value Research Project

The Proving our Value (POV) research is a four year project delivered by the South West Forum (SWF) in partnership with the University of Bristol and funded by the Big Lottery. It aims to improve understanding of the economic and social impact of social purpose organisations. Whilst the focus of the research is on

organisations in the South West, the research findings and methodology are of national significance. The POV programme also aims to enable the social purpose sector in the South West to engage in high quality research and to develop long term partnerships with Higher Education Institutions (HEIs). Each of the five projects includes a research partner.

A PhD student from the University of Bristol worked with the project to enable learning to be shared across two key areas:

- (i) How different approaches to evaluation adopted by each of the projects can help social purpose organisations demonstrate the value of their interventions.
- (ii) How co-production of research and knowledge is possible through partnership working between HEIs and social purpose organisations and the opportunities and challenges this presents.

There are a variety of different approaches to demonstrating the impact of social purpose interventions. Some of these have been used extensively over a number of years within both public and private sector organisations. Others have been specifically designed for use within the social purpose sector. **This paper will summarise the different approaches, consider how they are used by social purpose organisations and look at the advantages and challenges of each.**

This report will **highlight some key principles in developing impact research methodologies.** It will help the wider sector think about different approaches to measuring impact and how they might work for different types of organisations and different activities.

Social Return on Investment (SROI)

SROI is a method for measuring and communicating the value of social, economic and environmental outcomes. This approach uses monetary values to quantify outcomes and calculate a ratio of benefits to costs. For example, a ratio of 3:1 indicates that for every £1 invested in an activity, it will deliver £3 of social value. However, this methodology is not just about monetary value but is **'an approach which will help an organisation to understand the outcomes and impact of a project, organisation or policy'** (SROI Network 2011). There is a high level of government interest in this approach and the public sector is increasingly looking at SROI as a way for social purpose organisations to demonstrate the value of their interventions. A guide to SROI has been published by the Cabinet Office and updated in 2012¹.

SOCIAL RETURN ON INVESTMENT (SROI) EXAMPLE: THE GREENLINK CYCLE ROUTE (GREENSPACE SCOTLAND 2009)

An SROI analysis was carried out by Greenspace Scotland, a charity which aims to improve the quality of community green spaces in Motherwell. The analysis sought to demonstrate the value of investment in the Greenlink cycle route and related conservation activities. The analysis involved 7 stakeholder groups, including conservation volunteers, local resident committees, North Lanarkshire Council, the local police force and a number of other key groups. *[A stakeholder is a person, organisation or group affected by or affecting an intervention.]* Discussions and workshops helped produce an

impact map which showed the range of outcomes which resulted for each stakeholder group. For example, the volunteers on formal training programmes learned new core skills and moved into employment; the Motherwell Community Police saw a reduction in anti-social behaviour. The SROI methodology then used 'financial proxies' to decide a monetary value for each of the outcomes. *[A financial proxy is an estimate of value where it is not possible to know the exact value (SROI Canada).]* The following shows how values were calculated:

One outcome from the Greenlink project was that two people gained work as a result of participating in the training programme. In order to put a financial proxy (monetary value) on this outcome, the stakeholders used the Annual Survey of Hours and Earnings (Office of National Statistics) to obtain a figure for the average salary of someone who moved into employment as a result of volunteering (£13,500). As two people gained employment, the value of this outcome was taken as £27,000. The SROI method then calculates deadweight, attribution and displacement to reach a more reliable figure of the value of the outcome.

Deadweight: *[How much would have happened if the activity had never taken place (SI Scotland).]* Interviews with stakeholders concluded that there was a 50% chance that each person would have moved into employment anyway.

Attribution: *[How much the outcome was caused by the contribution of other organisations or individuals (SI Scotland).]* Interviews with the individuals and stakeholders concluded that there was a 50% chance that each of the individuals moved into employment as a result of other external factors.

1

http://www.thesroinetwork.org/publications/doc_details/241-a-guide-to-social-return-on-investment-2012

As there were two people involved, this percentage was divided by two and subsequently calculated at 25% for both the deadweight and attribution.

Displacement: [How much the outcome has displaced other outcomes (SI Scotland).] Government reports indicate that Scottish 'jobs density' is 0.82 (i.e. for every job seeker there are 0.82 jobs) which equates to 18% displacement.

The impact of deadweight, attribution and displacement was then calculated as follows:

Initial proxy value	£27,000
Reduced by 25% for deadweight	£20,050
Reduced by 25% for attribution	£15, 187.50
Reduced by 18% for displacement	£12,454
Value of two people getting jobs as a result of volunteering on a formal training programme	£12, 454

Similar calculations were made for all the other outcomes delivered and this figure was then compared to cost of investing in the Greenlink scheme. The result suggested that for every £1 invested in the Greenlink project, £7 of social, economic and environmental value was created - a significant rate of return from investment in the project.

KEY ADVANTAGES OF USING SROI IN A SOCIAL PURPOSE CONTEXT

- SROI is a **useful form of analysis for organisations which provide activities that are easily quantified**. For example, an organisation providing job search to help people find work results in greater income

for individuals, increases payment of taxes and reduces welfare payments. An organisation which provides financial advice helps people to pay off debt, improves their ability to save and manage their money.

- SROI opens up **dialogue with the key stakeholders** and helps the organisation to understand whether its activities meet the needs and expectations of the different groups (funders, beneficiaries, communities).

THE CHALLENGES OF USING SROI IN A SOCIAL PURPOSE CONTEXT

- SROI analysis can only be carried out by someone with a significant range of skills, including previous experience of engaging stakeholders, undertaking outcomes measurement or evaluation and using Microsoft Excel. While SROI may be a valuable tool, **few organisations are likely to have the skills to undertake this approach**.
- Agreeing financial proxies for outcomes can be a challenging and sometimes impractical process. Although SROI takes into account the 'softer' outcomes of interventions, e.g. improvements in mental health or someone moving closer to the job market as a result of a period of work experience, such outcomes are difficult to quantify. There is a risk that those benefits are left out of the analysis.
- The **concepts of deadweight and attribution are very challenging** and further research is needed to consider how these concepts can be more easily understood and used.
- Comparisons of SROI evaluations between different organisations are unhelpful. Each SROI evaluation is unique to a particular organisation. There is a high degree of subjectivity as the stakeholders themselves decide proxy values and the percentages allocated to deadweight, attribution and displacement.

EXAMPLES OF SROI:

Name of author	Name of paper	Focus of research	Extent to which the measure was applied
Department of Health (2010)	Measuring social value: How five social enterprises did it	The Big Life Group in Summergrove Liverpool provides housing and rehabilitative care for families recovering from alcohol/drug dependency.	Full application of the SROI model.
Greenspace, Scotland (2009)	Social Return on Investment Analysis of the Greenlink, a partnership project managed by the Central Scotland Forest Trust	To demonstrate the value of the investment in the Greenlink cycle route and related conservation activities which have been carried out along the route.	Full application of the SROI model.
Social Return on Investment Project (2007)	Impact Arts Fab Pad Project	An analysis of an organisation's vulnerable clients at a vital stage in their progression out of a chaotic lifestyle; when they take on a tenancy.	Full application of the SROI model.
The Wise Group (2007)	Social Return on Investment report	The SROI analysis focused on a project based in Cadder, Glasgow, which aimed to combine environmental regeneration of housing stock with employment creation in the local economy.	Partial application of the SROI model upon a specific regeneration project.
SROI Project (2010)	Increasing value of Care at Home in Edinburgh	<p>The application of SROI principles and practices was tested on a commissioning exercise for Care at Home Services contracted by City of Edinburgh Council (CEC).</p> <p>As a result several aspects of the service to be delivered were identified as driving the creation and destruction of value.</p>	Full application of the SROI model.

Cost Benefit Analysis (CBA)

CBA is a technique which quantifies in monetary terms the costs and benefits of a proposed policy for all members of society (HM Treasury 2003; Boardman et al 2006). CBA generally applies to policies, programs and projects within the public sector (Boardman et al 2006). **The overall value of a policy is measured by its net social benefits, which can be calculated by subtracting the total social costs from the total social benefits of a project.** A project is seen to be desirable if the benefits exceed the costs (Boardman et al 2006; CLG 2009).

In order to work out a monetary value of social benefits, financial proxies are generated using established methods of measurement (CLG 2009). The following are a number of approaches to developing proxies:

The '**contingency valuation technique**' asks a broad range of stakeholders how much they would be willing to pay (WTP) to achieve a particular outcome, or how much they are willing to accept (WTA) in compensation to forgo that outcome (Pearce, 1998). For example, in order to measure a loss in wellbeing, you look at how much an individual is WTA the loss, or how much they are WTP to prevent the loss (Arvidson et al 2010).

Another approach is to use **service costs**. This calculation is based on how much the government pays in service costs. The value of the outcome corresponds to cost savings to the government (Heady & Keen 2010). For example, money is saved if an individual no longer claims welfare benefits as a result of gaining employment.

Another approach is to use **market values**, i.e. the cost of services on the open market. For example, the price of a material good or training course (Heady & Keen 2010).

ADVANTAGES OF USING CBA IN A SOCIAL PURPOSE CONTEXT

- **Policy makers understand CBA** (Boardman et al 2006). This could help organisations with funding applications.
- This approach is **useful for organisations delivering interventions which can be measured and assessed in monetary terms.**

THE CHALLENGES OF USING CBA IN A SOCIAL PURPOSE CONTEXT

- **Determining monetary proxies for outcomes can be a long and complex process** (BIS 2011) which will require time and resources.
- Social purpose activities generate a wide range of social value. It is difficult to capture this by placing a monetary value on outcomes (Mustafa 1994; Tuan 2008).
- As with SROI, there is a **level of subjectivity** in assigning a financial value to outcomes.
- **CBA is not 'transparent'**. Outcomes are given a monetary value by individual researchers carrying out the analysis (Pearce 1998) as opposed to involving stakeholders in this process.

Social Cost Benefit Analysis (SCBA)

SCBA puts a value on interventions that have a broad impact across society. SCBA not only captures costs in a monetary sense but **looks at the overall changes in total `social welfare`** (Pollock 2008). All significant stakeholder groups affected by an intervention are considered: groups that benefit and those that bear costs, referring to groups affected directly and indirectly (BIS 2011).

In addition to the WTP and WTA principles mentioned earlier, SCBA uses additional methods to record the benefits and costs that accrue to society through a particular intervention (Leff 1984). The first is '**consumer surplus**', which concerns '*the amount above the actual price that consumers would be willing to pay in order to obtain the project's output*' (Leff 1984). Secondly, SCBA considers the external costs and benefits that a project generates, known as the '**spill-over effects**', recognising that an intervention may have significant effects on individuals and communities who are not its immediate beneficiaries (Leff 1984).

SCBA also takes into account the **opportunity-costs**. If resources are used to fund one intervention, logically these resources cannot be used to fund another. Therefore the true cost of the intervention also takes into account the loss of funding to the other intervention (Leff 1984).

SOCIAL COST BENEFIT ANALYSIS (SCBA) EXAMPLE: THE LONDON CONGESTION CHARGE (LEAPE 2006)

The London Congestion Charge Research Program carried out an SCBA evaluation. This was used by Mayor Livingstone to make the case for an increase in the charge from £5.00 to £8.00 in 2005 (Leape 2006).

The **costs** identified within the scheme fell under five different headings:

- the initial **set-up costs** associated with the installation of the necessary infrastructure and services;
- the **scheme operation costs** - the largest single cost which is primarily in the cost of collecting the charge;
- the **supervisory costs** incurred by Transport for London, which are associated with management of the scheme and administration of contracts;
- the **traffic management costs** - mainly changes to the network of bus services;
- the cost of **compliance and enforcement**;

A number of measurable benefits of the scheme were then considered.

- the amount of time saved for drivers and passengers of vehicles that used the road system after charging (cars, taxis, buses, and commercial vehicles) within and outside the charging zone.

- improved journey time reliability, reduced accidents and lower carbon dioxide emissions

The income from the scheme was not included as this is viewed as a direct transfer rather than a resource cost (money paid by motorists goes direct to the charging authority and becomes part of public spending).

Through this analysis, the total estimated annual costs of the congestion charging scheme was calculated to be £163 million, while the total annual benefits were calculated as £230 million

ADVANTAGES OF USING SCBA IN A SOCIAL PURPOSE CONTEXT

- The different calculations used - consumer surplus, spill over effects and opportunity costs **show the broad range of benefits** that can come from a particular intervention.

- This approach also ensures that a **wide range of stakeholders are included** and looks at outcomes resulting for the families of an individual, the wider community and even wider society (e.g. potential welfare savings).

THE CHALLENGES OF USING SCBA IN A SOCIAL PURPOSE CONTEXT

- SCBA requires all outcomes from an intervention to be valued in monetary terms. **Developing these financial proxies can be challenging and in some cases, impractical.**

- There is **no standardised approach to putting a monetary value on outcomes** such as consumer surplus, spill over effects and opportunity costs. Each SCBA is unique and subjective (Tuan 2008).
- SCBA could be a **long and complex process**, requiring a significant amount of staff time and a high level of experience. This would place significant demands on smaller organisations.

EXAMPLES OF COST BENEFIT ANALYSIS AND SOCIAL COST BENEFIT ANALYSIS

Name of author	Name of paper	Focus of research	Extent to which the measure was applied
Leape, J. (2006)	The London Congestion Charge.	Estimating the social benefits and costs of the congestion charging scheme in London.	A full Cost Benefit Analysis was undertaken.
Bardon, C G. Bates, D W. Carchidi, P J. Fairchild, D G. Goldszer, R C. Kittler, A F. Kuperman, G J. Middleton, B. Prosser, L A. Spurr, C G. Sussman, A J. Wang, S J.	A Cost-Benefit Analysis of Electronic Medical Records in Primary Care.	Electronic medical record systems improve the quality of patient care and decrease medical errors, but their financial effects have not been as well documented. This study estimated the net financial benefit or cost of implementing such systems in primary care.	A full Cost Benefit Analysis was undertaken.
Leff (1984).	Social Benefit-Cost Analysis and Telecommunications: Investment in Developing Countries.	The use of Social Cost Benefit Analysis when assessing telecommunications expansion in LDCs.	A full Social Cost Benefit Analysis was undertaken
Luttmer, E.F.P. (2005)	Neighbours as Negatives: Relative Earnings and Well-Being.	Social Cost Benefit Analysis provided an estimate of the costs of unemployment.	A full Social Cost Benefit Analysis was undertaken
Foltynova, H. Kohlova, M B. (2005)	Cost Benefit Analysis of cycling infrastructure: a case study of Pilsen.	The paper analyses the impact of improved cycle routes on demand for this means of transport.	A full Cost Benefit Analysis was undertaken.

Multi Criteria Analysis (MCA)

MCA techniques can be used to evaluate a range of options (or interventions) enabling decision makers to rank proposals and identify a preferred option (CLG 2009; European Commission 2009). MCA can also be used to evaluate a particular intervention against a selected set of criteria.

MCA captures a diverse range of characteristics against which interventions can be evaluated (European Commission 2009). The criteria reflect the perspectives and standpoints of a broad range of different stakeholders which can be pulled together through brainstorming workshops with stakeholders affected directly and indirectly by a particular intervention. Where possible, these views will be given a monetary value using valuation techniques. Where this is impractical, perspectives are recorded as qualitative information (CLG 2009). [*Qualitative information is used where impacts cannot be quantified and can include unstructured interviews, questionnaires, case studies etc.*] A weighting system can be used to give greater value to particular criteria (CLG 2009).

MULTI CRITERIA ANALYSIS (MCA) EXAMPLE: DETR TRANSPORT EVALUATION (CLG 2009)

An MCA approach was used by the Department for Environment, Transport and the Regions (DETR) in evaluating a transport problem (CLG 2009).

Five overriding criteria (also defined as objectives) were determined for the review of trunk roads:

integration

safety

economy

the environment

regeneration and accessibility

Three of these objectives were divided into sub-objectives. The environment was sub-divided into noise, local air quality, landscape, biodiversity, heritage, and water, while the impact on carbon dioxide emissions was also distinguished separately.

Economy was sub-divided into journey times plus vehicle operating costs, highway construction, maintenance costs and reliability.

Regeneration and accessibility was sub-divided into public transport, pedestrians and others.

Before deciding whether to construct a trunk road, DETR undertook an analysis to determine the perspectives of a broad range of stakeholders and then evaluated potential routes against the predetermined criteria and sub criteria.

Monetary values were adopted where outcomes could be measured using CBA valuation techniques.

Other economic outcomes were also captured as **quantitative units** (e.g. the number of properties experiencing an increase in noise.)

Outcomes were also captured in a **qualitative form** and assessed on a scale usually of seven points (for example *to what extent do you agree with the following statements and +4 on the scale would indicate that you strongly agree with this statement*).

Qualitative perspectives were also included.

An Appraisal Summary Table was then created showing the main criteria and sub-criteria, with a ranking given to each of the projects against each of the criteria.

In total, 67 schemes in the Roads Review were considered within this MCA process.

The tables were then presented to Ministers to inform their decisions and it was determined that thirty seven schemes costing £1.4 billion would go forward

ADVANTAGES OF USING MCA IN A SOCIAL PURPOSE CONTEXT

- MCA is able to capture the more quantifiable outcomes of a project which can be measured as monetary values, along with the softer and more qualitative social values.
- The participation of stakeholders is central to this approach, allowing a broad range of perspectives to be gathered (European Commission 2009; Dooley et al 2009). **This means that the MCA approach is very transparent.**
- The selection and weighting of criteria can be discussed and adapted by the stakeholders (CLG 2009).

- Different interventions can be ranked against each other but only if the same group of stakeholders is involved within the analysis.
- Weighting can be used to give more importance to particular criteria and can vary according to the type of intervention and the different beneficiary groups involved.
- Hypothetical interventions can be ranked against each another, making this approach a useful planning tool.

THE CHALLENGES OF USING MCA IN A SOCIAL PURPOSE CONTEXT

- It takes time to obtain the high levels of participation and achieve the most thorough results possible (Dooley et al 2009). Smaller social purpose organisations are unlikely to have this capacity.

‘Presenting the information in this way provides decision takers with a clear and reliable basis for their decisions, without giving prominence to any one type of impact or to benefits expressed in monetary terms compared with those that cannot be monetised.’ (CLG 2009)

Examples of Multi-Criteria Analysis

Name of author	Name of paper	Focus of research	Extent to which the measure was applied
Department for Transport (DETR) (1998)	A New Deal for Trunk Roads in England: Guidance on the New Approach to Appraisal	An MCA approach was adopted to draw together the large amount of information collected as part of the appraisal of a transport problem and alternative solutions to this, conducted by the DETR.	Partial application of Multi Criteria Analysis. A weighting process was undertaken for each of the criteria considered.
European Commission (2009)	Multi Criteria Analysis	The evaluation of a regional development programme co-financed by the three European Structural Funds and the government of the Walloon region.	Full application of Multi Criteria Analysis.
Karvetski, C W. Lambert, J H. Linkov, I. (2009)	Emergent Conditions and Multiple Criteria Analysis in Infrastructure Prioritization for Developing Countries.	This article develops methodology to identify the most important emergent conditions for infrastructure planning among a set of scenarios involving military and civil stakeholders.	Full application of Multi Criteria Analysis.
Dooley, A E. Ledgard, F. Sheath, G W. Smeaton, D C. (2009)	Application of Multiple Criteria Decision Analysis in the New Zealand Agricultural Industry.	The use of MCDA was evaluated using three applied case studies (use of new processing technology, selection of beef policies, and selection of farm systems in an environmentally sensitive catchment).	Full application of Multi Criteria Analysis.
Centre for International Forestry Research (1999)	Guidelines for Applying Multi-Criteria Analysis to the Assessment of Criteria and Indicators.	A detailed account of how MCA can be applied to C&I in a Forest Certification context. (C&I are tools for assessing trends in forest condition and forest management)	Full application of Multi Criteria Analysis.

Value Focussed Thinking

This approach considers that values should form the driving force behind decision making for an organisation (Keeney 1992). Value Focussed Thinking is a useful approach to consider the impact that a particular intervention may have in the future and can help organisational planning.

The decision-makers and stakeholders objectives and values

Firstly, the objectives of an intervention need to be agreed through brainstorming workshops with key stakeholders and staff members (Keeney 1992; Keeney 1994).

Secondly, the objectives are divided into **fundamental** objectives and **means** objectives (Keeney 1994). Fundamental objectives are the essential reasons why an intervention has been provided. Means objectives are the means to achieve the fundamental objectives (Keeney 1994). Fundamental objectives can also be regarded as 'strategic objectives' which provide common guidance for all decisions in an organisation (Keeney 1994).

The alternative objectives

Thirdly, a brainstorming session considers alternative objectives to those already identified. Value Focussed Thinking aims to promote creativity and '*enhance the creation of desirable alternatives*' which previously hadn't been considered (Keeney 1996).

Evaluating the options

Finally, the strategic objectives and the possible alternatives can then be used in decision making (Keeney 1992). This form of in-depth stakeholder analysis can also be used to evaluate an intervention. This approach would take into account all quantitative and qualitative outputs and outcomes from an intervention,

(what the means, strategic and alternative objectives were for a particular intervention and whether or not these have been met), highlighting the broad level of impact of an intervention

VALUE FOCUSED THINKING EXAMPLE: TOURISM MANAGEMENT (KAJANUS ET AL 2004)

Following initial discussions with a number of tourism experts concerning levels of regional tourism, the stakeholders objectives were combined into a single 'means objectives' leading to a strategic objectives network which showed where the connections existed between these different objectives (Kajanus et al 2004)

Value-focussed interviews with tourism experts showed that they valued the vitality of rural areas and consider rural culture as a key success factor in rural tourism.

It was found that generating incomes from tourism business in the region, stimulating a new economy, reform in rural areas, and strong culture were the most important means of maintaining the vitality of rural areas (Kajanus et al 2004).

ADVANTAGES OF USING VALUE FOCUSED THINKING IN A SOCIAL PURPOSE CONTEXT

- The strategic objectives and alternatives approach gives information about the best way to carry out interventions.
- Value Focussed Thinking **captures those outcomes of an activity** which can be given a monetary value, along with the softer and more qualitative social values.
- This approach can take account of **outcomes, which may not have been**

previously considered, perhaps occurring over a much longer period of time to be identified.

- This process requires little in the way of resources and technical expertise.
- This approach **facilitates involvement and encourages communication** between stakeholders.

THE CHALLENGES OF USING VALUE FOCUSED THINKING IN A SOCIAL PURPOSE CONTEXT

- Detailed discussions make this a **time consuming process** for stakeholders.
- There may be a **level of subjectivity to the approach** depending on how stakeholders are identified and who agrees to take part.
- **The stakeholders may not always reach a consensus** around strategic objectives and alternatives.

EXAMPLES OF VALUE FOCUSED THINKING

Name of author	Name of paper	Focus of research	Extent to which the measure was applied
Kajanus, M. Kangas, J. Kurttila, M (2004)	The use of value focused thinking and the A'WOT hybrid method in tourism management.	Through the adoption of the value-focussed thinking approach, the objectives were identified and organised into a means-ends structure in the planning session by the participating experts and the moderator. A number of further discussions were carried out that followed the value-focussed thinking format	The full measure of Value Focussed Thinking was Undertaken.
Keeney, R.L., and McDaniels, T.L. (1992)	Value-focused thinking about strategic decisions at BC Hydro	To identify, structure, and quantify BC Hydro's strategic objectives	The full measure of Value Focussed Thinking was Undertaken.

Social Accounting and Audit (SAA):

This approach has been **designed specifically for use within the social purpose sector** and collects information about how the interventions an organisation carries out affect its stakeholders (Social Audit Network 2010). SAA measures impact in three ways: **through triple bottom-line accounting**, taking into account social, environmental and financial outcomes. **SAA takes a qualitative approach** to demonstrating impact in a social purpose context (Social Audit Network 2010).

The first step of social accounting is to engage staff in a discussion about the organisation's overriding objectives, looking at the vision, mission, values, objectives and activities of an organisation (Social Audit Network 2010). The second step involves constructing an 'impact map' which begins to prioritise the outcomes that result from the interventions of the organisation. This process determines which outcomes the evaluation will focus on.

The third step is to identify different stakeholder groups for these interventions who could be involved in a consultation process (Social Audit Network 2010). This process could involve using evaluation forms given to staff members, trainees or beneficiaries immediately after they have received support from a particular intervention. Staff members are also invited to give their experiences of working in the organisation. **Information regarding outcomes is captured in a descriptive and qualitative format** and this enables the organisation to build up a comprehensive report on its work over time. This report can be compiled annually, without necessarily reporting on all aspects and consulting with all the stakeholders each year (CEU 2009).

The final stage requires development of a long-term strategy influenced by the findings emerging from the evaluation.

SOCIAL ACCOUNTING AND AUDIT (SAA) EXAMPLE: ALL SAINTS ACTION NETWORK (ASAN 2010)

The All Saints Action Network (ASAN) is a Development Trust Community Enterprise and a network bringing together members of the local community and local organisations from the public, community and private sector in the All Saints area of Wolverhampton. It aims to improve the quality of life for everyone living and working in the area (ASAN 2010).

One of the identified objectives for ASAN was to establish community managed services (ASAN 2010). To assess this, one element of the SAA analysis focussed on All Saints Children's Centre and the range of activities it had undertaken since it opened in January 2009. The project used interviews and other feedback mechanisms to gather views of service users. Questions asked included; *'what did you like best about the sessions?'* Answers included; *'seeing the children enjoying the games, building on speech, to concentrate', 'how all kids join in and enjoy, singing and dancing, great exercises', 'singing, enjoying, helps the children to interact'.*

This feedback highlights the **broader outcomes emerging through the activities** provided by the centre, capturing some of the intangible differences the project has made in a qualitative manner.

The SAA report also considered the organisation's investment in training, the inward investment attracted by the work of the organisation and its wider contributions to the community.

A full consideration of the social accounts took place through the ASAN Board and staff members. Recommendations were then put forward for the year ahead.

ADVANTAGES OF USING SAA IN A SOCIAL PURPOSE CONTEXT

- **SAA gives staff members a voice** (CEU 2011) and **strengthens links with organisational stakeholders** (CEU 2011).
- SAA can **capture and provide evidence for a wide range of social outcomes**. Financial figures can be provided from the organisation’s accounts; supplemented by a qualitative explanation.
- This approach can capture evidence for either a specific intervention or in a broader sense across the activities of an organisation (CEU 2011).

THE CHALLENGES OF USING SAA IN A SOCIAL PURPOSE CONTEXT

- **SAA is very detailed** and the reports can be difficult to digest and understand for both staff and potential funders (CEU 2011).
- SAA **doesn’t capture headline quantitative figures** but this is something potential funders may want.
- A comprehensive SAA report can take **significant time to complete** and may be challenging for an organisation whose staff may have limited time (CEU 2011).

EXAMPLES OF SOCIAL ACCOUNTING AND AUDIT

Name of author	Name of paper	Focus of research	Extent to which the measure was applied
Community Enterprise Unit (2009)	Social Audit: CEU Ltd.	Collecting information about the activities an organisation carries out which affect its stakeholders.	Full application of the Social Accounting and Audit measure.
All Saints Action Network (ASAN) (2010)	Social Accounts. Period covered – 1st October, 2008 to 30th September 2009.	Collecting information about the activities an organisation carries out which affect its stakeholders.	Full application of the Social Accounting and Audit measure.
BRAG Enterprises (2001/2002)	Social Accounts and Audit	Collecting information about the activities an organisation carries out which affect its stakeholders.	Full application of the Social Accounting and Audit measure.
Buchan Dial-A-Community Bus (2003/2004)	Social Accounts and Audit	Collecting information about the activities an organisation carries out which affect its stakeholders.	Full application of the Social Accounting and Audit measure.

Regional Gross Value Added (GVA)

GVA is the **preferred measure of government** in assessing the overall economic well-being of a particular area or region. On a national scale, GVA can be used to measure the contribution to the economy of an individual organisation, industry or industrial sector (VONNE 2009; ONS 2010b; Environment and Heritage Service 2007).

One of the simplest ways to calculate GVA on an organisational basis is based on the **income approach** (Voluntary Organisations' Network North East (VONNE) 2009). This adds an organisation's net profit before tax to the depreciation shown in its most recent accounts and the staff payroll (including allowances). This figure is then divided by the number of employees to give an average GVA amount per employee for the organisation:

$$\begin{aligned} &\text{Net profit (before tax) + Depreciation + Payroll} \\ &\quad \div \text{No of Employees} \\ &= \text{Regional Gross Value Added} \end{aligned}$$

Below are some examples of the way in which the Office of National Statistics use the GVA approach to assess the overall economic well-being of a particular area or region.

EXAMPLES OF GVA

Name of author	Name of paper	Focus of research	Extent to which the measure was applied
Office for National Statistics	Economic Labour and Market Review	Calculating GVA at the Regional (NUTS1) level	Full calculation of GVA
Office for National Statistics	Economic Labour and Market Review	Calculating GVA at the Sub regional (NUTS2) level	Full calculation of GVA
Office for National Statistics	Economic Labour and Market Review	Calculating GVA at the Local (NUTS1) level	Full calculation of GVA

ADVANTAGES OF USING REGIONAL GVA IN A SOCIAL PURPOSE CONTEXT

- Using GVA can help social purpose organisations **communicate with potential funders in a language they understand**.
- GVA is a **simple measure of calculation** not too time consuming to undertake.

THE CHALLENGES OF USING REGIONAL GVA IN A SOCIAL PURPOSE CONTEXT

- GVA considers the economic output of an organisation in a very broad sense and cannot **demonstrate the broader social outcomes** arising through an intervention.
- This approach **may not be practical for particular social purpose organisations**. For instance, income received in the form of grants, particularly from government sources, is discounted from the calculation of net profit and the terms 'generated surplus' and 'profit' cannot be used interchangeably (VONNE 2009). When GVA is used as a key indicator of economic performance it immediately places social purpose organisations, which do not operate to make a profit, at a disadvantage in comparison to private sector organisations.

Local Multiplier 3 (LM3)

This method has been used primarily as an economic indicator in the social purpose sector. LM3 uses an **economic approach to calculate the return on every pound invested by a particular organisation into an area** after three rounds of spending (LM3 online 2010).

Round one is the income of the organisation.

Round two is the spending of the organisation (in terms of spending on suppliers and staff wages etc.).

Round three is where and how suppliers and employees re-spend that income (which was received from the spending of the organisation in round two).

A ratio can then be determined by calculating the total amount of expenditure across the three rounds and making a comparison between this figure and the initial investment (LM3 online 2010).

LOCAL MULTIPLIER EXAMPLE: EDEN COMMUNITY OUTDOORS (ECO) (SACKS 2002)

ECO is a youth education and development organisation in Cumbria. As a social enterprise with social as well as economic goals, ECO wanted to evaluate its efforts to see what was working and what needed to be improved (Sacks 2002). The figures were altered slightly for this particular example (Sacks 2002).

Round One

Sacks stated that ECO's annual income was £50,000.

Round Two

ECO spent a total of £30,000 in Appleby. This local spending was on staff (£27,500) and suppliers (£2,500).

Round 3

Staff were assessed to see how they spent their income from ECO. Local suppliers (17 businesses) were also surveyed to see how they spent their turnover.

On average, ECO staff spent 46% of their income locally which meant that staff spent about £12,650 in Appleby (£27,500 x 0.46). Local suppliers spent 29% of their turnover locally on average, which meant that £725 was spent in Appleby (£2,500 x 0.29).

Therefore the total amount spent locally by ECO's staff and suppliers was £13,375 (£12,650 + £725).

The total amount of spending locally through each of the rounds of the LM3 analysis was then added together:

Round 1 = £50,000

Round 2 = £30,000

Round 3 = £13,375

Total = £93,375

This total figure is then compared to how much income the organisationally initially received to create the ratio. Figures of £93,375 and £50,000 lead to a ratio of 1.87 which is ECO's LM3 score.

Therefore, for every £10 ECO receives in income it generates £18.70 for the local Appleby economy.

ADVANTAGES OF USING LM3 IN A SOCIAL PURPOSE CONTEXT

- **LM3 is relatively simple to calculate**, with little demand on the time and resources of an organisation.
- This approach **highlights the economic benefits to the local economy** generated by an organisation. LM3 could also be used to calculate the economic benefit of a single

intervention, accounting for an initial investment into an activity and the flow of investment across three rounds of spending.

- The LM3 approach **can influence organisations to have a greater focus on local investment**. For example, staff members may be disappointed with their organisation's LM3 score if a significant percentage of money from the subsequent rounds of spending isn't staying in the local economy. As a result, staff members may find ways to increase the amount of money remaining in the local economy. They may look for more local suppliers for their organisation (Sacks 2002).

- The **approach is clear and self-explanatory** and easy for potential funders to take into account.

THE CHALLENGES OF USING LM3 IN A SOCIAL PURPOSE CONTEXT

- LM3 focusses only on monetary flows of expenditure. Information cannot be captured about broader interventions developing as a result of investment into the organisation.
- This **approach is unable to capture the wider economic, social and environmental benefits** emerging for individuals, families and communities.

EXAMPLES OF LOCAL MULTIPLIER 3:

Name of author	Name of paper	Focus of research	Extent to which the measure was applied
Sacks, J (2002)	The Money Trail: Measuring your impact on the local economy using LM3.	Research undertaken with Eden Community Outdoors (ECO), a youth education and development organisation in Cumbria. As a social enterprise with social as well as economic goals, ECO wanted to evaluate its efforts to see what was working and what needed to be improved.	Full application of the Local Multiplier 3 Tool.
Hartlepool Borough Council (2007) (Documented in North East Centre of Excellence (2008))	Housing Hartlepool	Undertaking LM3 model within particular communities in the wider city	Full application of the Local Multiplier 3 Tool.
North East Centre of Excellence (2008)	Alnwick Garden Social Enterprise	Undertaking LM3 model for the Alnwick garden.	Full application of the Local Multiplier 3 Tool.

Balanced Scorecard Approach

This approach **measures operational performance in terms of learning-and-growth outcomes, business outcomes and customer and financial outcomes** rather than exclusively through financial measures (Clark et al 2004).

The balanced scorecard approach involves a high level of stakeholder involvement to determine the measurement of organisational performance in each of these different areas. For example, the **learning and growth perspective** includes capturing information about employee training and corporate cultural attitudes related to individual and corporate self-improvement (Balanced Scorecard Institute 2011).

The **business process perspective** refers to internal business processes. This approach enables managers to discover how well their business is running and whether its products and services conform to customer requirements (Balanced Scorecard Institute 2011).

In terms of the **customer perspective**, recent management philosophy highlights the importance of customer focus and customer satisfaction in any business (Balanced Scorecard Institute 2011). Poor performance in this area is a key indicator of future decline even though the current financial picture may look good (Balanced Scorecard Institute 2011).

BALANCED SCORECARD APPROACH EXAMPLE: KENYA RED CROSS SOCIETY (2010)

The mission of the Kenya Red Cross Society is to *'work with vigour and compassion through our networks with communities to prevent and alleviate human suffering and save the lives of the most vulnerable'* (Kenya Red Cross Society 2010).

The management team for the organisation worked through a balanced scorecard approach. One of the overriding objectives for their customers was improved livelihoods. The performance measures or indicators for this objective included reduced reliance on relief aid in target communities. Targets were then set for the degree to which Kenya Red Cross wanted to improve upon these performance measures, which were stated in percentages. Initiatives were drawn up for how these targets could be achieved, which included strengthening the Food Security Programme and building skills and resources on search and rescue.

The Kenya Red Cross management team worked through each of the four areas of the balanced scorecard in a systematic fashion to determine the range of objective outcomes they wanted the organisation to work towards; the performance measures; the extent they wanted the organisation to improve on these performance measures and ideas as to how this could be achieved.

A flow diagram was developed to highlight how the outcomes for the four predetermined areas of focus across the balanced scorecard interconnected.

ADVANTAGES OF USING THE BALANCED SCORECARD IN A SOCIAL PURPOSE CONTEXT:

- The balanced scorecard **develops a clear structure so that organisations understand what they need to measure** to 'balance' the financial perspective (Kaplan & Norton 1996; Balanced Scorecard Institute 2011). It captures a broad scope of economic and social outcomes.

THE CHALLENGES OF USING THE BALANCED SCORECARD IN A SOCIAL PURPOSE CONTEXT:

- The balanced scorecard approach may be **time consuming for stakeholders** and there may be insufficient time to explore all the outcomes emerging through an intervention.
- **Levels of subjectivity** may arise because of the individual stakeholders selected to take part in the analysis.

EXAMPLES OF THE BALANCED SCORECARD APPROACH

Name of author	Name of paper	Focus of research	Extent to which the measure was applied
Kenya Red Cross Society (2010) Documented by the Balanced Scorecard Institute (2010)	Balanced scorecard strategic planning & management system.	Determine the progression of the organisations work through the balanced scorecard approach.	Full application of the balanced scorecard approach.
Balanced Scorecard Institute (2010)	A Balanced Scorecard Journey	Determine the progression of the Shat-R-Shield organisation's work through the balanced scorecard approach.	Full application of the balanced scorecard approach.
Balanced Scorecard Institute (2010)	AMEDDC&S Finds Direction in Strategic Planning	The Army Surgeon General and Commander of the US Army Medical Command champion the balanced scorecard as " <i>the principal tool by which they improve operational and fiscal effectiveness and better meet the needs of patients and stakeholders.</i> "	Full application of the balanced scorecard approach.
Lawrence P. Grayson (2004) Documented by the Balanced Scorecard Institute (2010)	An Example: A Management Strategy for a Private School	Determine the progression of the organisations work through the balanced scorecard approach.	Full application of the balanced scorecard approach.

Conclusions – How to choose the right approach?

This report has considered the **different impact approaches that could be used by social purpose organisations**. It highlights which approaches could be of value and when they might be used - depending on the characteristics of the organisation and the scope of the approach.

Social purpose organisations vary widely in size, scope and the type of interventions they deliver. The most useful approach to use may depend on important organisational characteristics, including...

...the resources available to an organisation in terms of time, staff numbers and staffing levels of experience and expertise in research analysis

...the objectives of the organisation and the interventions provided

...the individuals, families and communities the organisation provides services for

...the relationship between the organisation and other social purpose organisations through partnership working

...the relationship between the organisation and the statutory sector, funders and commissioners

For organisations looking to undertake impact evaluation it is important to think about **what you want to measure** (e.g. which intervention(s) will the analysis focus on; what changes has this intervention invoked for an individual, a family or the broader community etc.) and the **purpose for undertaking this**

impact evaluation (what are the **internal or external drivers**? Internal drivers may be in determining how effectively an intervention is working, to pinpoint whether necessary alterations to service delivery are needed. On the other hand, external drivers may include the expectations of Commissioners in response to tendering applications to demonstrate impact. For the latter, using an approach understood by the public sector could be very useful.)

These principles should be **reflected in the choice of impact measurement taken forward**.

To draw together the findings of this report and to support the thinking of organisations around these key principles the section below offers **further suggestions and recommendations** for each approach and a matrix which draws out the important characteristics of the methodologies in focus (pages 26-28). This is intended to support organisations in choosing an appropriate measure.

SUMMARY AND RECOMMENDATIONS FOR EACH OF THE DIFFERENT APPROACHES

SROI

Summary

- SROI is a method for measuring and communicating a broad concept of value, incorporating the social, economic and environmental outcomes generated by a social purpose organisation (Cabinet Office 2009; Greenspace, Scotland 2009).
- SROI uses monetary values to quantify these outcomes and enables a ratio of benefits to costs to be calculated (Cabinet Office 2009).

Recommendations:

- This is still a relatively new methodology and further research will be required to determine

how useful this approach could be in a social purpose context.

- SROI may be more appropriate for larger organisations with greater staff resources and expertise in evaluation techniques and the finances available to undertake this approach.
- SROI is more useful for organisations creating outcomes for which financial proxies can be more appropriately deduced (e.g. an individual moving into employment).

CBA

Summary

- CBA is a technique which quantifies in monetary terms the costs and benefits of a proposed policy to all members of society (HM Treasury 2003; Boardman et al 2006).
- The overall value of a policy is measured by its **net social benefits**, which are calculated by subtracting the total social costs of the project from the total social benefits. A project is viewed as successful if the benefits exceed the costs (Boardman et al 2006; CLG 2009).

Recommendations:

- CBA may be more appropriate for larger organisations with staff with experience and expertise in evaluation techniques as well as the organisational finances required.
- This approach works better for organisations, creating outcomes for which financial proxies can be more appropriately deduced.

SCBA

Summary

- SCBA is applied to value interventions that are considered to have a very broad impact across society (Pollock 2008).

- All significant stakeholder groups affected by a particular intervention are considered in this approach, including groups that benefit and those that bear costs, referring to groups affected directly and indirectly (BIS 2011).

Recommendations:

- SCBA may be more appropriate for larger organisations with staff with experience and expertise in evaluation techniques as well as the organisational finances required.

MCA

Summary

- MCA techniques can be used to evaluate a variety of different options against a set of criteria in order to rank the options and identify preferred option (CLG 2009; European Commission 2009).
- This approach can capture the perspectives and standpoints of a range of groups, which, where possible, are turned into quantitative data or qualitative information (CLG 2009).

Recommendations:

- MCA could potentially be used by any social purpose organisation, regardless of the interventions they deliver. It captures both the economic and quantifiable outcomes of a project, along with the softer and more qualitative social outcomes.
- Careful decisions must be made in identifying relevant stakeholders to be involved in the evaluation to capture a broad range of perspectives. Constant monitoring should be undertaken to ensure the process is not overtaken by particular individuals or groups.

Value Focussed Thinking

Summary

- This approach puts values as the driving force behind decision making (Keeney 1992). It takes into account quantitative and qualitative outputs and outcomes and can highlight the broad impacts of an intervention.

Recommendations:

- This approach could capture the wide range of social and economic outcomes delivered by a social purpose organisation.
- The engagement of stakeholders can produce ideas about how interventions could be better carried out in the future. Stakeholder discussions need to be carefully managed to ensure the process is not overtaken by particular groups.

SAA

Summary

- This measure has been designed specifically for use within the social purpose sector and collects information about the interventions an organisation carries out which affect its stakeholders (Social Audit Network 2011).
- SAA measures the impact of organisations through triple bottom-line accounting, taking account of social, environmental and financial outcomes (Social Audit Network 2011). SAA takes a qualitative approach to demonstrating impact (Social Audit Network 2011).

Recommendations:

- This kind of approach can supplement methodologies that capture economic outcomes. SAA can provide a detailed, in-depth and descriptive analysis of the softer social outcomes of a particular intervention. SAA can help an organisation look internally

at the way it delivers interventions and the emerging outcomes.

GVA

Summary

- GVA is used by the governments to assess the overall economic well-being of a particular area or region. It can be used to measure the contribution to the economy of each individual organisation, industry or industrial sector in the UK (VONNE 2009; ONS 2010b; Environment and Heritage Service 2007).

Recommendations:

- GVA is more suited to organisations that include profit and loss statements in their accounts, regardless of their specific contribution to society (VONNE 2009). GVA could be used by social enterprises to supplement an analysis that uses a more qualitative approach, giving an added dimension to an impact evaluation.
- It would be interesting to consider how social purpose organisations contribute to the wider level of GVA within a particular locality. Further research could be undertaken to establish how these links could be made.

LM3

Summary

- This approach is primarily an economic indicator, calculating the return on every pound invested by an organisation into an area after three rounds of spending (LM3 online 2011).
- A ratio can be determined by calculating the total amount of expenditure across the three rounds and making a comparison between this figure and the initial investment into the organisation (LM3 online 2011).

Recommendations:

- This approach could be used to supplement other forms of analysis capturing social outcomes and would add a further dimension to an impact evaluation.

Balanced Scorecard

Summary

- This approach measures operational performance in terms of learning-and-growth outcomes, business outcomes, customer and financial outcomes to arrive at a more powerful view of performance (Clark et al 2004). It involves a high level of stakeholder involvement.

Recommendations:

- Any intervention delivered by a social purpose organisation could deliver a range of social and economic outcomes, which could potentially be captured through this approach.
- Careful decisions need to be made when identifying the stakeholders to be involved in the analysis to ensure a broad range of perspectives can be captured. It is important that stakeholder discussions are monitored to ensure this process is not overtaken by particular individuals.

Using different approaches in combination

Approaches do not have to be undertaken in isolation and a combination may be really powerful. For instance, approaches capturing solely economic value (e.g. LM3 or GVA) could supplement methodologies, which demonstrate social value, adding further dimension to an impact evaluation. Likewise, particular approaches, which capture social value in a descriptive narrative form (e.g. SAA), could also supplement methodologies which focus on capturing economic outcomes.

It is important to remember that different approaches **may not be mutually exclusive** and when used together may capture the same outcomes using different techniques (e.g. CBA and LM3). Therefore, in using two approaches in combination it is important to make sure outcomes **are not double counted**.

In summary, combining approaches may ensure a broad array of both social and economic value is captured. In fact, capturing both quantified economic value and providing a qualitative, narrative description is considered the only way to gain a full understanding of a business' broader impact (Lingane and Olsen 2004).

SUMMARY TABLES

Impact research approach	Specifically designed for use within the social purpose sector	Examples of social purpose organisations using this approach	Currently recognisable to policy makers	Stakeholder engagement (ensuring transparency in the approach)	Captures values that are quantified (e.g. monetary values)	Captures qualitative social values	Flexible approach for potential use by any social purpose organisation	Places financial values on qualitative social values
SROI	Yes	Yes	The approach is becoming more widely understood within policy making circles	Yes (involves the generation of an impact map)	Yes	Not easily	No due to the complexity of this approach	Yes (an online proxy database has been provided by the SROI Network)
CBA	No	No	Yes	No (undertaken by an external group of analysts either within or outside the organisation)	Yes	Not easily	No due to the complexity of this approach	Yes
SCBA	No	No	Yes	Yes (can involve the generation of an impact map)	Yes	Not easily	No due to the complexity of this approach	Yes
MCA	No	No	The approach is recognised by particular policy makers but it will depend on the Local Authority	Yes (can involve the generation of an impact map)	Yes	Yes	Yes	No
Value Focussed Thinking	No	No	Not necessarily	Yes (can involve the generation of an impact map)	Yes	Yes	Yes	No
SAA	Yes	Yes	Not necessarily	Yes (can involve the generation of an impact map)	Yes (can capture information on an organisation's financial accounts)	Yes	Yes	No
GVA (calculation at the organisational level)	No	Yes (at the organisational level)	Yes	No (undertaken by an external group of analysts either within or outside the organisation)	Yes	No	No (more suited to social enterprise organisations with profit and loss in accounts)	No
LM3	Yes	Yes	Yes (relatively simple to explain and interpret)	Yes (to the extent of asking about individual expenditure)	Yes	No	Yes	No
Balanced Scorecard	No	Yes	Yes (relatively simple to explain and interpret)	Yes (may involve the generation of an impact map)	Yes	Yes	Yes	No

/ THE ADVANTAGES AND CHALLENGES OF IMPACT RESEARCH APPROACHES

Impact research approach	Level of complexity and skill required (low, medium, high)	Cost to undertake (low, medium, high)	Captures values at the individual level	Captures values at the community level	Existence of subjectivity within the approach	Captures values at the statutory level (e.g. Government financial savings resulting from an intervention)
SROI	High	High	Yes	Yes	Yes	Yes
CBA	High	High	Yes	Yes	Yes	Yes
SCBA	High	high	Yes	Yes	Yes	Yes
MCA	Medium	Medium	Yes	Yes	Yes	Yes
Value Focussed Thinking	Low	Low	Yes	Yes	Yes	Yes
SAA	Low	Medium	Yes	Yes	Yes	Not necessarily (depending on the level of scope determined at the outset this approach may be able to provide evidence through qualitative interviews)
GVA (calculation at the organisational level)	Low (for undertaking calculations at the organisational level)	Low (for undertaking calculations at the organisational level)	No (not for undertaking calculations at the organisational level)	No	No	No (not for undertaking calculations at the organisational level, however, the GVA of a particular sector could be calculated at the Local Authority level (statistics are available from the Office of National Statistics))
LM3	Low	Low	No	Yes (in terms of expenditure within the local community)	No	No
Balanced Scorecard	Medium	Medium	Yes	Yes	Yes	Yes

SUMMARY TABLES

Impact research approach	Captures long term impacts	Captures information on unintended impacts	Captures information on the counterfactual (please note this is a challenging process and the approaches below will only provide some level of scope to do this) * ²	Captures information on the level of attribution (please note this is a challenging process and the approaches below will only provide some level of scope to do this) ** ³	Can also capture negative impacts	Forecast evaluations can be undertaken in addition to evaluations following a particular intervention	Captures indirect positive and negative impacts
SROI	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CBA	Yes	Yes	No	No	Yes	Yes	Yes
SCBA	Yes	Yes	No	No	Yes	Yes	Yes
MCA	Yes	(Yes at the discretion of the analysts)	(Yes at the discretion of the analysts)	(Yes at the discretion of the analysts)	Yes	Yes	(Yes at the discretion of the analysts)
Value Focussed Thinking	Yes	(Yes at the discretion of the analysts)	(Yes at the discretion of the analysts)	(Yes at the discretion of the analysts)	Yes	Yes	(Yes at the discretion of the analysts)
SAA	Yes	(Yes at the discretion of the analysts)	(Yes at the discretion of the analysts)	(Yes at the discretion of the analysts)	Yes	No	(Yes at the discretion of the analysts)
GVA (calculation at the organisational level)	No	No	No	No	Yes (may highlight that an organisation's GVA is actually low by comparison to the GVA of the wider social purpose sector within the locality)	No	No
LM3	No	No	No	No	Yes (may highlight that very little money spent by the organisation is remaining in the local economy)	No	No
Balanced Scorecard	(Yes at the discretion of the analysts)	No	No	No	Yes	No	(Yes at the discretion of the analysts)

² *The counterfactual refers to a calculation for what would have happened without the social purpose organisation providing a particular intervention, which is termed 'deadweight' within the Social Return on Investment approach (Cabinet Office 2009).

³ **Attribution is in reference to other social purpose organisations or local authority services which also contribute to creating these outcomes that an organisation's interventions attribute to (Cabinet Office 2009).

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the economic impact of social action



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