



# SOCIAL RETURN ON INVESTMENT

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PRIFYSGOL  
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Social Value Hub



Canolfan Economeg Iechyd a Gwerthuso Meddyginiathau

**CHEME**

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# Definition of Social Value

- ▶ Relative importance that people place on the changes they experience in their lives
- ▶ Some but not all of this value is captured in market prices
- ▶ Important to measure social value from the perspective of those affected by an organisation's work
- ▶ Examples of social value include the value of improved confidence or wellbeing
- ▶ These are important but not often measured in the same way as financial value

-- Social Value UK, 2017

## THE SOCIAL VALUE ACT (2012)

- ▶ Public bodies required to consider how their services improve social, economic and environmental wellbeing

## WELLBEING OF FUTURE GENERATIONS ACT (2015)

- ▶ Public bodies have a legal obligation to improve social, cultural, environmental and economic well-being
- ▶ Involve the public, collaborate to seek common solutions and understand the long-term impact of their decisions

## HM TREASURY'S GREEN BOOK (2018)

- ▶ Recommends 'Social Cost Benefit Analysis' (Social CBA) ) to assess the impact of interventions on social welfare
- ▶ Assess value for money based on how well interventions optimise social value (social, economic and environmental), in terms of costs and benefits

# SOCIAL RETURN ON INVESTMENT (SROI)

- Pragmatic form of social CBA
- 1990s: Social enterprises interested in valuing the societal contributions they were generating
- 2000 to 2010: Context (NL), New Economics Foundation (UK), Social Value UK
- 2010 to 2020: Social Value International (more than 40 countries)
- 2012 Social Value Act UK
- 2015 Wellbeing of Future Generations Act (Wales)
- 2018 new edition of HM Treasury's Green Book

A guide to  
**Social Return  
on Investment**



**CabinetOffice**  
Office of the **Third Sector**

January 2012

A guide to  
**Social Return  
on Investment**

**The SROI Network**  
Accounting for Value

# STAGES AND PRINCIPLES OF SROI

## How to do an SROI Analysis: Six Stages

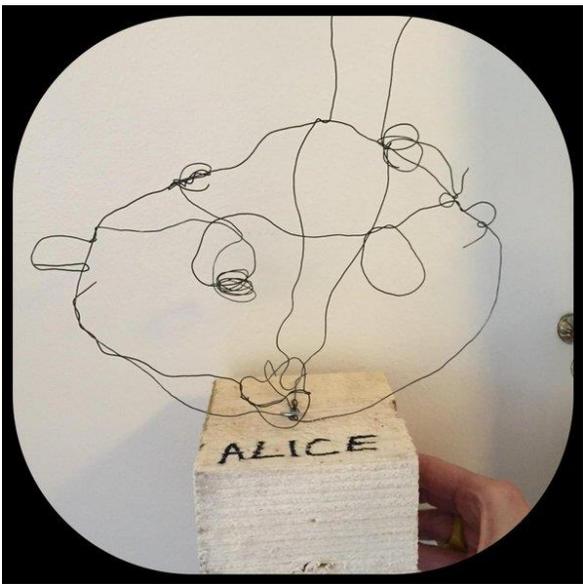
1. Establishing scope and identifying key stakeholders.
2. Mapping outcomes.
3. Evidencing outcomes and giving them a value.
4. Establishing impact.
5. Calculating the SROI.
6. Reporting, using, and embedding.



# CASE STUDY 1

## ART ACTIVITIES FOR PEOPLE LIVING WITH DEMENTIA

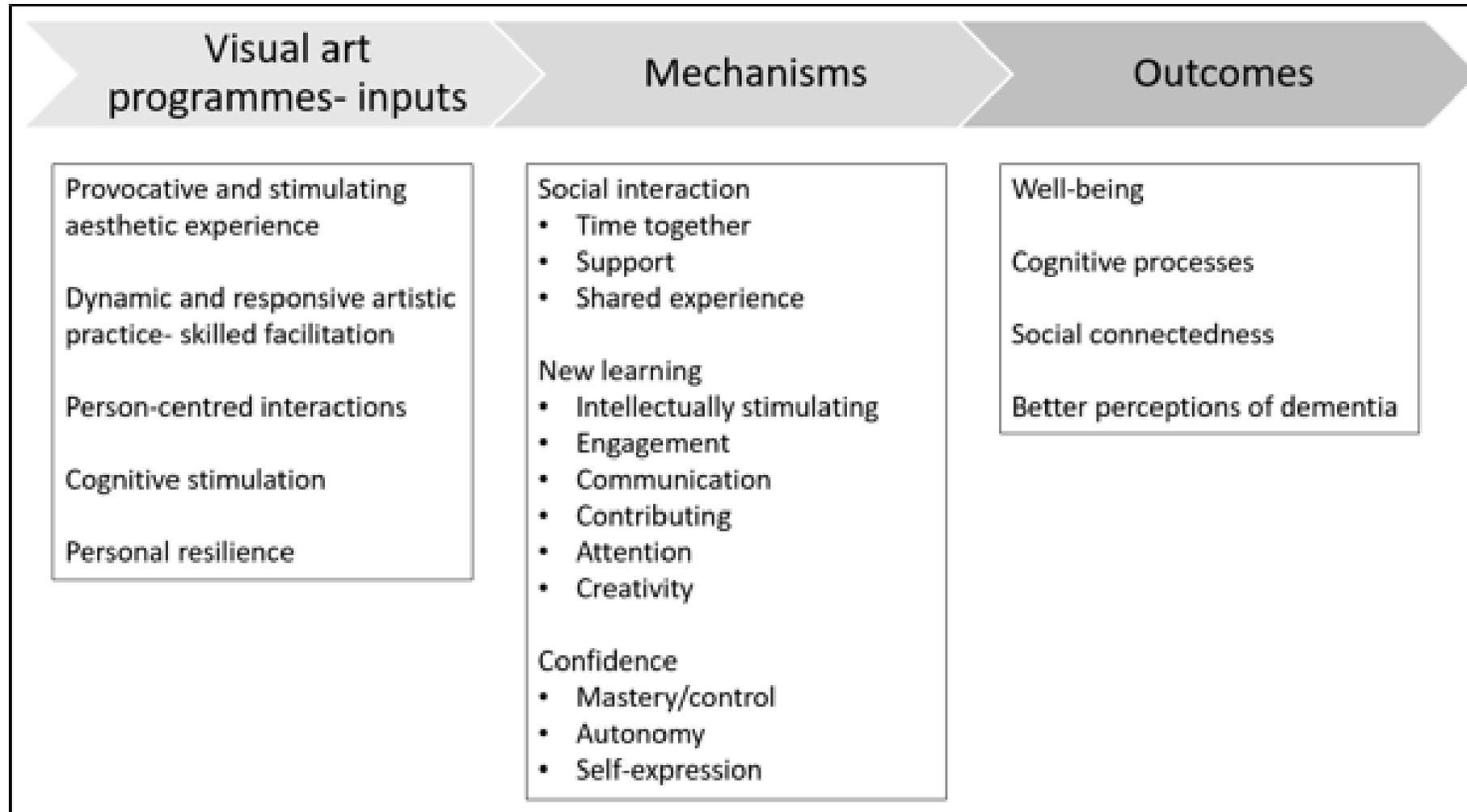
- ▶ 12 week art activities project in England and Wales
- ▶ Evaluation of 125 people with mild to severe dementia (supported by 146 family and staff caregivers) in residential care, hospital and community settings
- ▶ Quantitative measures (baseline, 12 weeks, 6 months) and qualitative interviews
- ▶ Stakeholders - people living with dementia, their families and staff caregivers
- ▶ Mapping outcomes - Theory of Change



# IDENTIFYING KEY STAKEHOLDERS

Stakeholder	Included	Reason
People living with dementia	Yes	People living with dementia are the main beneficiaries of the programme
Family members of participants	Yes	Family members are the main carers at home and may also experience a significant impact
Collaborating organisations who deliver the programme (NHS and care homes)	Yes	The NHS and care homes are the main partners in implementing, delivering and funding the programme
Artists who deliver the programme	No	Artists are employed to deliver the programme and any personal benefits are incidental

# THEORY OF CHANGE



# EVIDENCING AND VALUING OUTCOMES

Outcome	Number of people experiencing outcome	Outcome measure	Social Value Bank (HACT)	Total value
Increased wellbeing/improved mood	36/98	Change in DEMQoL total score between baseline and 6 months	£20,323 Good overall health	£731,628
Increased confidence/self-esteem	17/61	Change in DEMQoL Q5 between baseline and 6 months	£12,565 High confidence	£213,605
Increased feeling of control over one's life	18/61	Change in DEMQoL Q13 between baseline and 6 months	£16,427 Feeling control over one's life	£295,686

# HACT SOCIAL VALUE BANK

- ▶ Largest bank of methodologically consistent and robust social values
- ▶ Calculated through statistical analysis of large UK datasets  
  
(British Household Panel Survey – BHPS)
- ▶ HACT Social Value Calculator <https://www.hact.org.uk/value-calculator>
- ▶ Provides basic assessment of social impact and value for money

# HACT SOCIAL VALUE CALCULATOR (V4)

## Health

OUTCOME	AVERAGE VALUE
High confidence (adult)	£13,080
Relief from depression/anxiety (adult)	£36,766
Good overall health	£20,141
Relief from drug/alcohol problems	£26,124
Smoking cessation	£4,010
Feel in control of life	£12,470
Can rely on family	£6,784

# WHERE DO SOCIAL VALUES COME FROM?

- ▶ High confidence (adult) = £13,080
  
- ▶ Have you recently been losing confidence in yourself? (BHPS)
  1. Not at all\*
  2. No more than usual
  3. Rather more than usual
  4. Much more than usual
  
- ▶ £13,080 of extra income is the amount of money required to induce the same amount of wellbeing as the degree of wellbeing from having high confidence

**National datasets<sup>1</sup>**

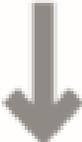
Outcome variables extracted

**Outcomes**

Regression analysis

**Impact on Wellbeing (A)**

**Community Investment Outcomes Model**



**Values Estimated From (A) & (B)**



**Impact on Wellbeing (B)**

**Income Model**

**National dataset<sup>2</sup>**

Income data extracted

**Lottery Wins**

IV analysis



# TWO RESOURCES FOR WELLBEING VALUATION



**Measuring the Social Impact of Community Investment:**

**The Methodology Paper**

**Daniel Fujiwara**

## ESTABLISHING IMPACT

- ▶ To minimise the risk of over-claiming benefits, the following factors were included:
  1. Deadweight – proportion of change that would have happened anyway
  2. Attribution – proportion of change due to other activities
  3. Displacement – proportion of change displaced (other activities cancelled or rearranged)
  4. Drop off – proportion of change that drops off after the first year
  
- ▶ All four factors were measured by asking participants about their level of attending arts activities at baseline, 12 weeks and 6 months

## ESTABLISHING IMPACT

Outcome	Total value	Deadweight	Displacement	Attribution	Drop-off (after first year)	Impact
Increased wellbeing/improved mood	£731,628	10%	30%	19%	80%	£373,350
Increased confidence/self-esteem	£213,605	10%	30%	19%	80%	£109,003
Increased feeling of control over one's life	£295,686	10%	30%	19%	80%	£150,889

# CALCULATING THE SROI RATIO

## ► **Base case scenario:**

1. Value of inputs = £189,498

2. Value of impact = £980,717 (stakeholders: people with dementia, family members, staff caregivers)

3. SROI ratio = 5.18:1

► For every £1 invested in the art activities programme, £5.18 of social value was generated

## ► **Sensitivity analysis:**

► For every £1 invested, the social value generated ranged between £3.20 and £6.62

## CASE STUDY 2

# PHYSICAL ACTIVITY AND SOCIAL PARTICIPATION FOR OLDER PEOPLE WITH CHRONIC HEALTH CONDITIONS

- Collaboration between NHS and local authority
- 16 week group physical activity programmes for older people
- National Exercise Referral Scheme, Lifestyle Management, Cardiac Rehabilitation
- Referred by health and social care professionals (GPs, district nurses, physiotherapists)
- Colwyn Bay Leisure Centre, North Wales
- Evaluation of 160 people aged 55+ with chronic health conditions



# HEALTH PRECINCT SROI

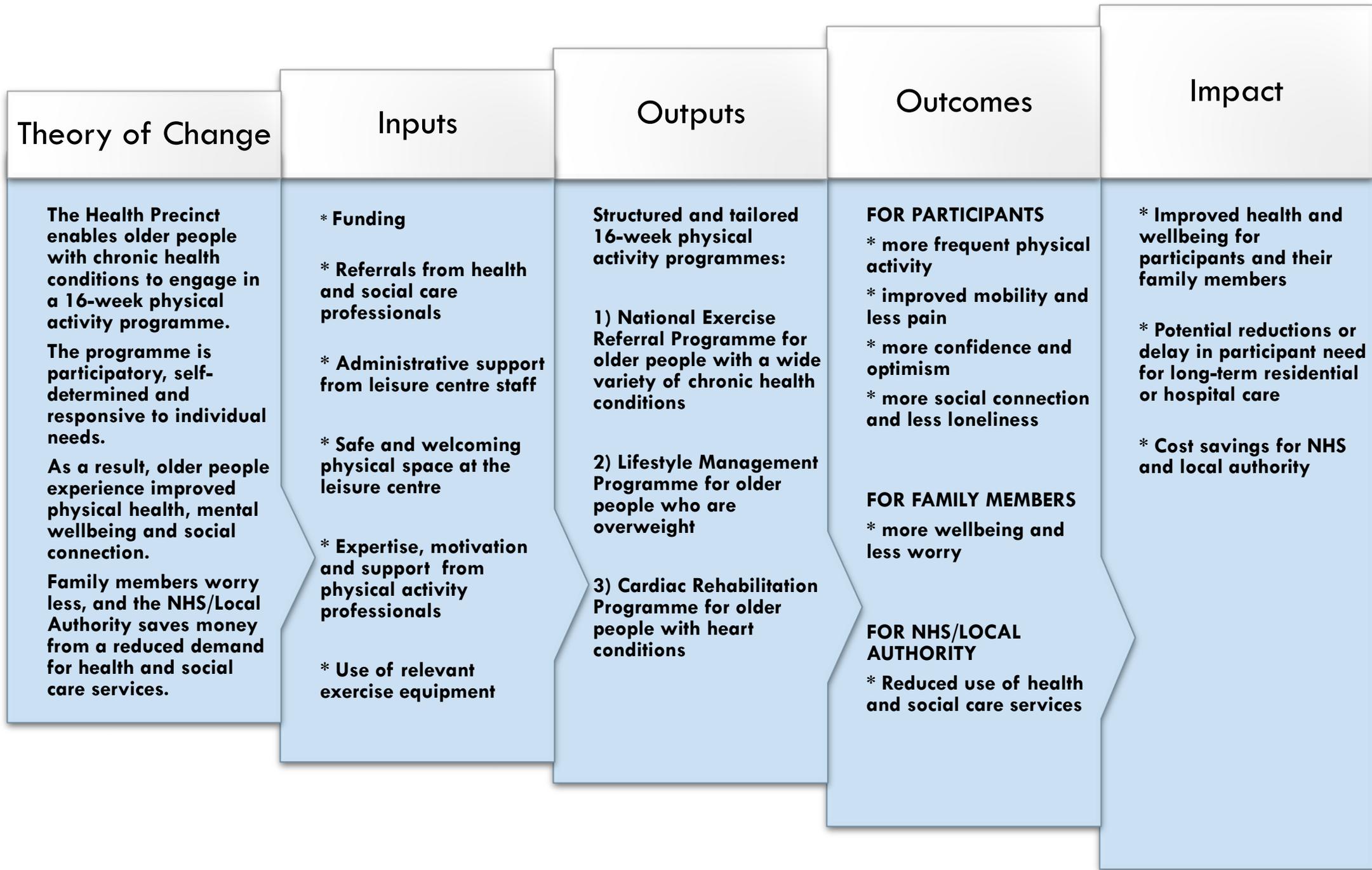
- Quantitative measures (baseline, follow-up at 16 weeks) and 16 qualitative interviews
- Stakeholders – older people with chronic health conditions, family members, NHS/local authority
- Map outcomes with a Theory of Change model
- Evidencing outcomes
- Valuing outcomes
- Establishing impact
- Calculating the SROI ratio

# IDENTIFYING KEY STAKEHOLDERS

Stakeholder	Included	Reason
Older people who participated	Yes	Older people are the main beneficiaries of the programme
Family members of participants	Yes	Family members are the main carers at home and may also experience a significant impact
Collaborating organisations who administer the programme	Yes	The NHS and local authority are the main partners in implementing, delivering and funding the programme
Exercise instructors who deliver the programme	No	Exercise instructors are employed to deliver the programme and any personal benefits are incidental

# MAPPING OUTCOMES

Stakeholder group	Expected Outcome
Health Precinct participants	<ul style="list-style-type: none"><li>• More frequent physical activity</li><li>• More mobility and less pain</li><li>• More confidence and optimism</li><li>• More social connection and less loneliness</li></ul>
Family members of participants	<ul style="list-style-type: none"><li>• Feeling more control over one's life and less worry</li></ul>
NHS and Local Authority	<ul style="list-style-type: none"><li>• Reduced use of health and social care services</li></ul>



# EVIDENCING AND VALUING OUTCOMES

Outcomes	Measurement tool
Frequent mild physical activity	Follow-up questionnaire (16 weeks)
More mobility and less pain	EQ5D-5L (Health-related quality of life)
More confidence and optimism	Warwick Edinburgh Mental Wellbeing scale (WEMWBS)
More social connection and less loneliness	Campaign to End Loneliness scale
More control over one's life and less worry (family member)	Family member questionnaire
Changes in health service use	Health Service Use Form

# EQ5D-5L

Under each heading, please tick the ONE box that best describes your health TODAY.

## MOBILITY

- I have no problems in walking about
- I have slight problems in walking about
- I have moderate problems in walking about
- I have severe problems in walking about
- I am unable to walk about

## SELF-CARE

- I have no problems washing or dressing myself
- I have slight problems washing or dressing myself
- I have moderate problems washing or dressing myself
- I have severe problems washing or dressing myself
- I am unable to wash or dress myself

## USUAL ACTIVITIES (e.g. work, study, housework, family or leisure activities)

- I have no problems doing my usual activities
- I have slight problems doing my usual activities
- I have moderate problems doing my usual activities
- I have severe problems doing my usual activities
- I am unable to do my usual activities

## PAIN / DISCOMFORT

- I have no pain or discomfort
- I have slight pain or discomfort
- I have moderate pain or discomfort
- I have severe pain or discomfort
- I have extreme pain or discomfort

## ANXIETY / DEPRESSION

- I am not anxious or depressed
- I am slightly anxious or depressed
- I am moderately anxious or depressed
- I am severely anxious or depressed
- I am extremely anxious or depressed

## The Short WEMWBS (SWEMWBS)

Statements	None of the time	Rarely	Some of the time	Often	All of the time
I've been feeling optimistic	1	2	3	4	5
I've been feeling useful	1	2	3	4	5
I've been feeling relaxed	1	2	3	4	5
I've been dealing with problems well	1	2	3	4	5
I've been thinking clearly	1	2	3	4	5
I've been feeling close to other people	1	2	3	4	5
I've been able to make up my own mind about things	1	2	3	4	5

## Campaign to End Loneliness Scale

1. I am content with my friendships and relationships
2. I have enough people I feel comfortable asking for help at any time
3. My relationships are as satisfying as I would want them to be

To each of these statements, ask your respondents to give one of the following answers:

**Strongly Disagree / Disagree / Neutral / Agree / Strongly Agree / Don't Know**

# EVIDENCING AND VALUING OUTCOMES

Outcome	Number of people experiencing outcome	Outcome measure	Social Value Bank (HACT)	Total value
Frequent mild exercise	28/56	More than 150 minutes per week of physical activity	£3,537 Frequent mild exercise	£99,036
More mobility and less pain	15/56	Improvement in mobility and less pain	£10,220 Relief from health problems that limit daily activities	£153,300
Social connection	21/56	Improvement in satisfying relationships	£3,753 Feeling a sense of belonging to neighbourhood	£78,813

## ESTABLISHING IMPACT

Outcome	Total value	Deadweight	Displacement	Attribution	Drop off	Impact
Frequent mild exercise	£99,036	25%	0%	50%	50%	£18,569
More mobility and less pain	£153,300	25%	0%	50%	50%	£28,744
Social connection	£78,813	25%	0%	50%	50%	£14,777

# CALCULATING THE SROI RATIO

## Base case scenario

- ▶ Value of inputs = £52,579
- ▶ Value of impact = £152,131 (participants, family members, NHS/local authority)
- ▶ SROI ratio = £2.89/£1

**For every £1 invested in the Health Precinct, £2.89 of social value generated**

# CASE STUDY 3

## YOGA PROGRAMME FOR ATLAS COPCO FACTORY WORKERS

- 6 week yoga programme
- One 60 minute on-site session per week with qualified instructor
- 10 – 15 minute daily home practice with online programme and illustrated booklet
- Baseline and follow-up questionnaires using Short WEMWBS

programme **1**

Remember to do your **activations** before you begin and a **relaxation** at the end.



Foundation Sequence



Cat & Half Moon Stretch

Piriformis Stretch



Lying Twist

Bridge & Diaphragmatic Breath

## NEW WAYS TO MEASURE AND VALUE WELLBEING



**SIMETRICA**

# Valuing improvements in mental health

Applying the wellbeing valuation method to WEMWBS

# The Short WEMWBS (SWEMWBS)

Statements	None of the time	Rarely	Some of the time	Often	All of the time
I've been feeling optimistic	1	2	3	4	5
I've been feeling useful	1	2	3	4	5
I've been feeling relaxed	1	2	3	4	5
I've been dealing with problems well	1	2	3	4	5
I've been thinking clearly	1	2	3	4	5
I've been feeling close to other people	1	2	3	4	5
I've been able to make up my own mind about things	1	2	3	4	5

# The new SWEMWBS values and how to apply them

As with the existing Social Value Bank, the wellbeing valuation method was used to value movements on the SWEMWBS scale. These values represent the additional money, the average individual would need to improve their wellbeing, which is the same amount as the improvement in their SWEMWBS score.

Category	Overall SWEMWBS score	Full model value
1	7-14	£0
2	15-16	£9,639
3	17-18	£12,255
4	19-20	£17,561
5	21-22	£21,049
6	23-24	£22,944
7	25-26	£24,225
8	27-28	£24,877
9	29-30	£25,480
10	31-32	£25,856
11	33-34	£26,175
12	35	£26,793

# EVIDENCING AND VALUING OUTCOMES

Participant	AGE	SEX	Occupation	Wellbeing (1)	£	Wellbeing (2)	£	£ Diff	27 percent	costs (£)	impact (£)	
1	52	M	forger	28	24,877	29	25,480	603	440			
2	42	M	forger	23	22,944	25	24,225	1,281	935			
3	46	M	engineer	21	21,049	20	17,561	-3,488	-2,546			
4	58	M	engineer	22	21,049	26	24,225	3,176	2,318			
5	39	M	forger	25	24,225	28	24,877	652	476			
6	38	M	forger	26	24,225	28	24,877	652	476			
7		M	forger	23	22,944	29	25,480	2,536	1,851			
8	46	M	engineer	23	22,944	25	24,225	1,281	935			
9		M	forger	20	17,561	21	21,049	3,488	2,546			
10	59	M	forger	32	25,856	30	25,480	-376	-274			
11	41	M	forger	23	22,944	26	24,225	1,281	935			
12	54	M	manager	24	22,944	28	24,877	1,933	1,411			
13	52	M	engineer	22	21,049	25	24,225	3,176	2,318			
14		M	forger	22	21,049	24	22,944	1,895	1,383			
15	60	M	forger	28	24,877	30	25,480	603	440			
										13,646	1800	11,846

**For every £1 invested in the programme, £7.58 of social value generated**



# OTHER SROI PROJECTS

## Social value of subsidised bus routes in Gwynedd

- ▶ Comparing approximately 41 subsidised bus routes in Gwynedd
- ▶ 2000 surveys from passengers indicating reasons for taking the bus
- ▶ Estimates social value for being able to access shopping, social activities, health appointments, employment, etc)

## SROI of I CAN Work programme (Individual Placement and Support Model)

- ▶ Social value of enabling people with mild to moderate mental health problems (n=450) to find employment
- ▶ Support recovery and improve wellbeing through access to employment
- ▶ Delivered by NHS in partnership with CAIS and the Rhyl City Strategy, with funding from the Welsh Government

# SOCIAL VALUE PROJECTS IN DEVELOPMENT

- ▶ SROI 'green exercise' with Conwy Council.
- ▶ SROI valuing the natural environment with National Trust/Natural Resources Wales
- ▶ SROI of woodland health and wellbeing activities with Actif Woods Wales
- ▶ SROI valuing local housing in collaboration with Grŵp Cynefin

Questions?

Thank you

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