



# SOCIAL IMPACT

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# Social impact reporting

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## Topics to cover

1. **Introduction**  
Brief introduction and background to impact reporting.
2. **The theory**  
What are the principles and how does it work in practice?
3. **Speaking the right language**  
Different ways of reporting on impacts and what works for your organisation.
4. **Conclusion**

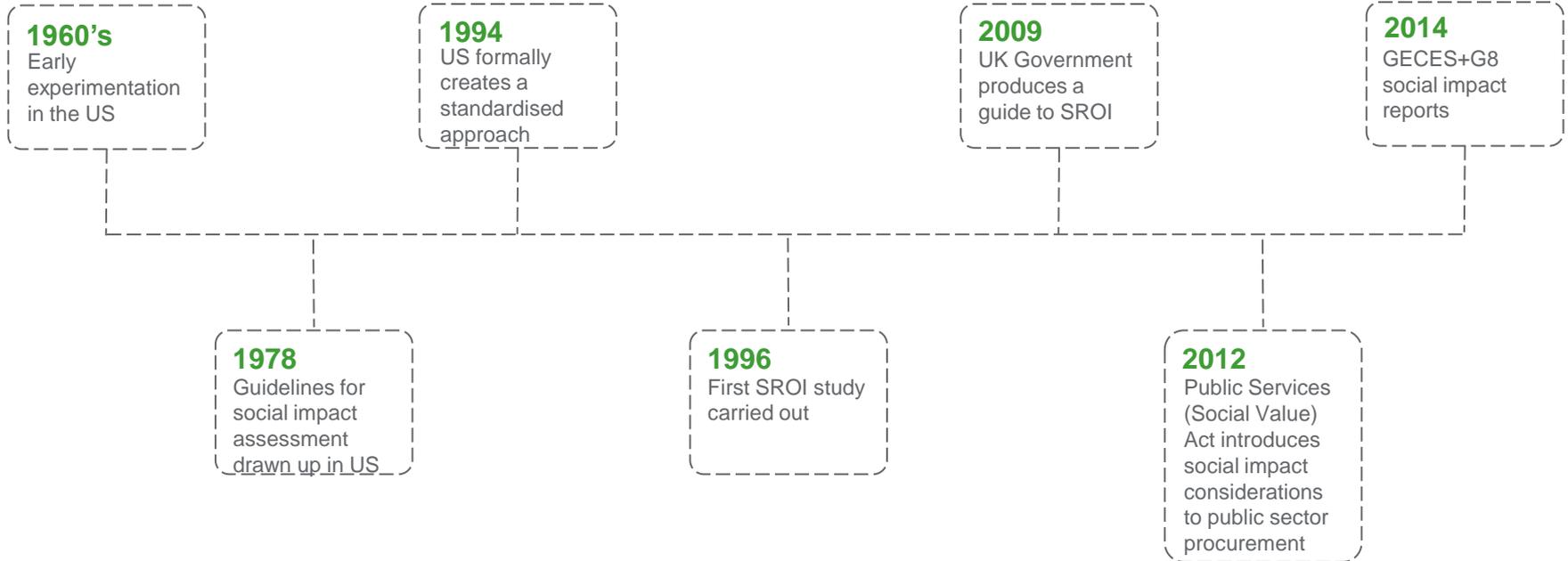
# RSM consultancy – social impact advisory

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- RSM is one of the leading firms of chartered accountants involved in measuring social impact.
- It's All About Me
  - First social impact bond for voluntary adoption agencies working with local authorities.
  - £5m fund to support challenging adoptions.
- Contributed to the European Commission review of social impact.
- Carried out over 50 social impact reviews including:
  - evaluations of local authority arms length/partnership leisure trusts;
  - healthcare evaluations – Horder Healthcare, Carers Support Centre;
  - social housing evaluations; and
  - working with national charities.

# The road to today

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Value created as a consequence of someone's activity

(Emerson, Wachowicz & Chun, 2000)

Value created is that experienced by beneficiaries and  
all others affected

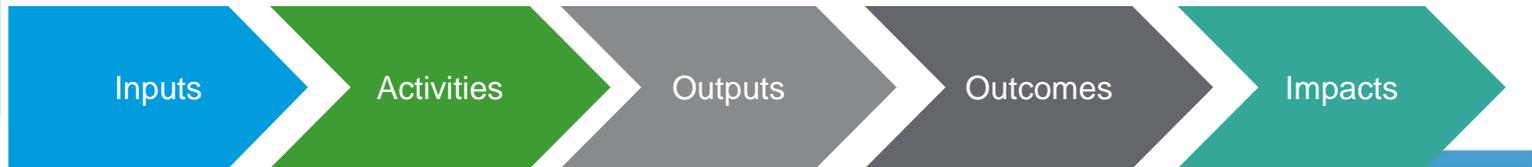
(Kolodinsky, Stewart, & Bullard, 2006)



Impact reporting is about understanding the difference you make in a way that better connects you to your stakeholders

# Social Impact – What is it?

- What change/outcomes does your work achieve
  - What was life like - how has it changed?
- Understanding how that change is achieved
  - What did you do? Who else was involved?
- Who benefits and how and for how long?
  - direct and indirect beneficiaries



# Social Impact – What is it?

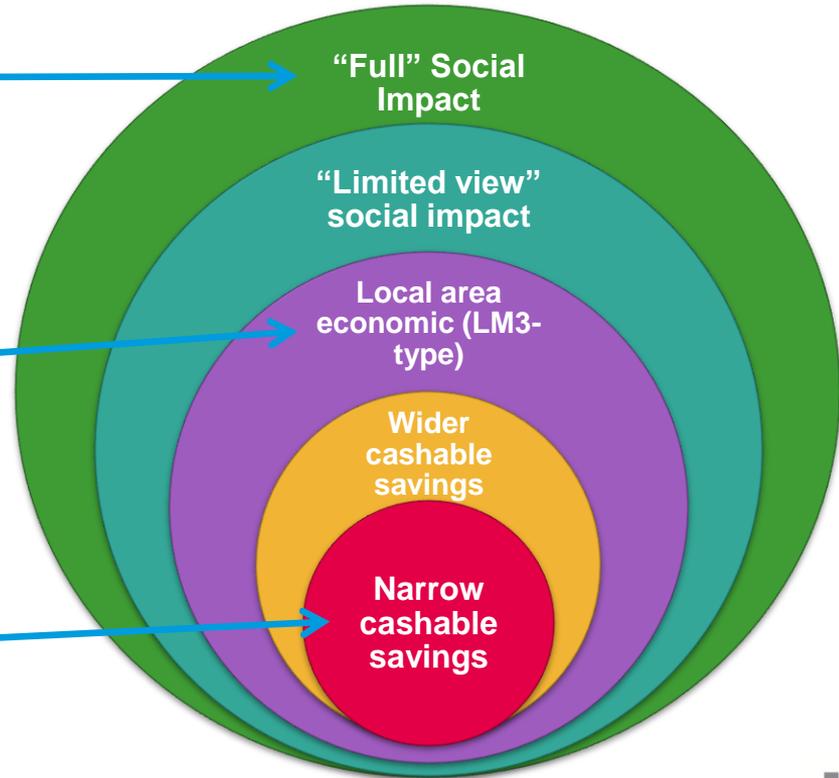
- The impact of your actions on society; impact can be value created or a cost saved!
- **Value created:** community of volunteers, social interaction, tenant 'wellbeing', maintaining/increasing local spending, higher levels of educational attainment
- **Cost saved:** maintain a tenant in their own home, deferring cost of residential care, family ↓ reduced anxiety, reduced mental health costs, reduced reliance on welfare, reduced visits to GP/A&E.
- Can **demonstrate** savings to other stakeholders, e.g. police, local authority, NHS;
- Can provide sound evidence to support decision making

# Identifying who will gain the benefits

Full effect on society

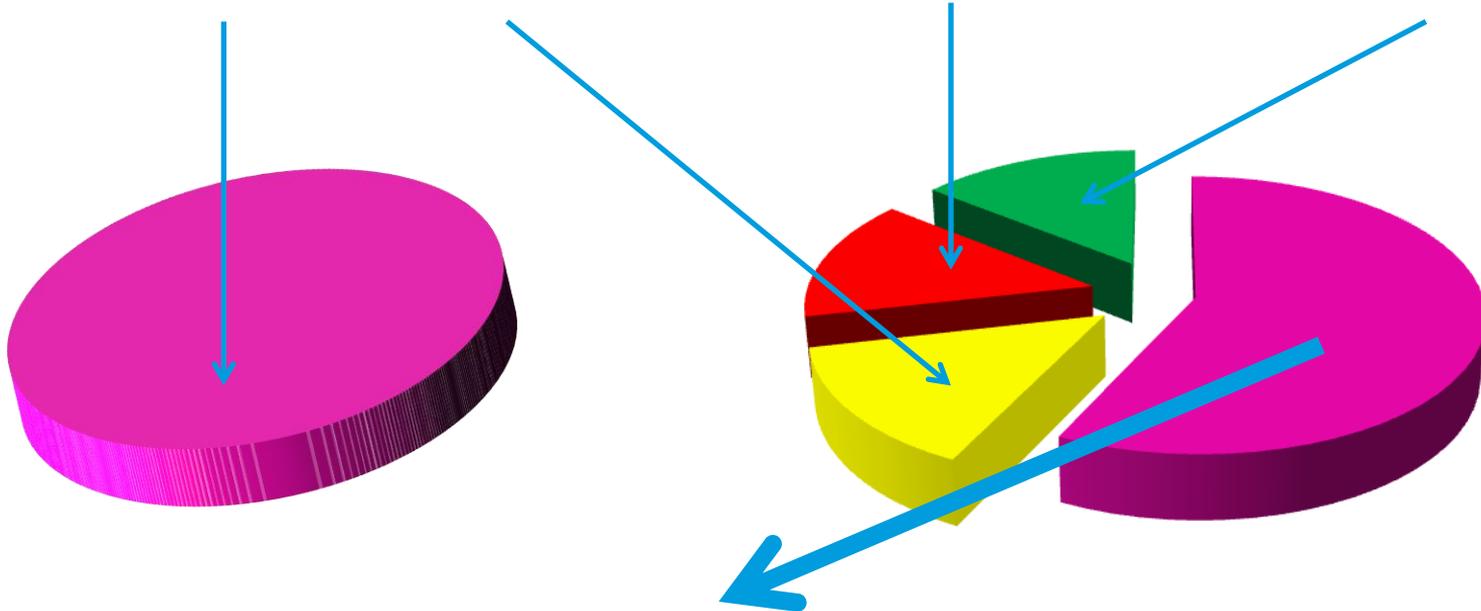
Multiplier effect on local economy

Direct costs saved



# Evaluating Impact: How does it work?

$$\text{Impact} = \sum \text{Outcomes} - (\text{deadweight} + \text{alternative attribution} + \text{displacement})$$

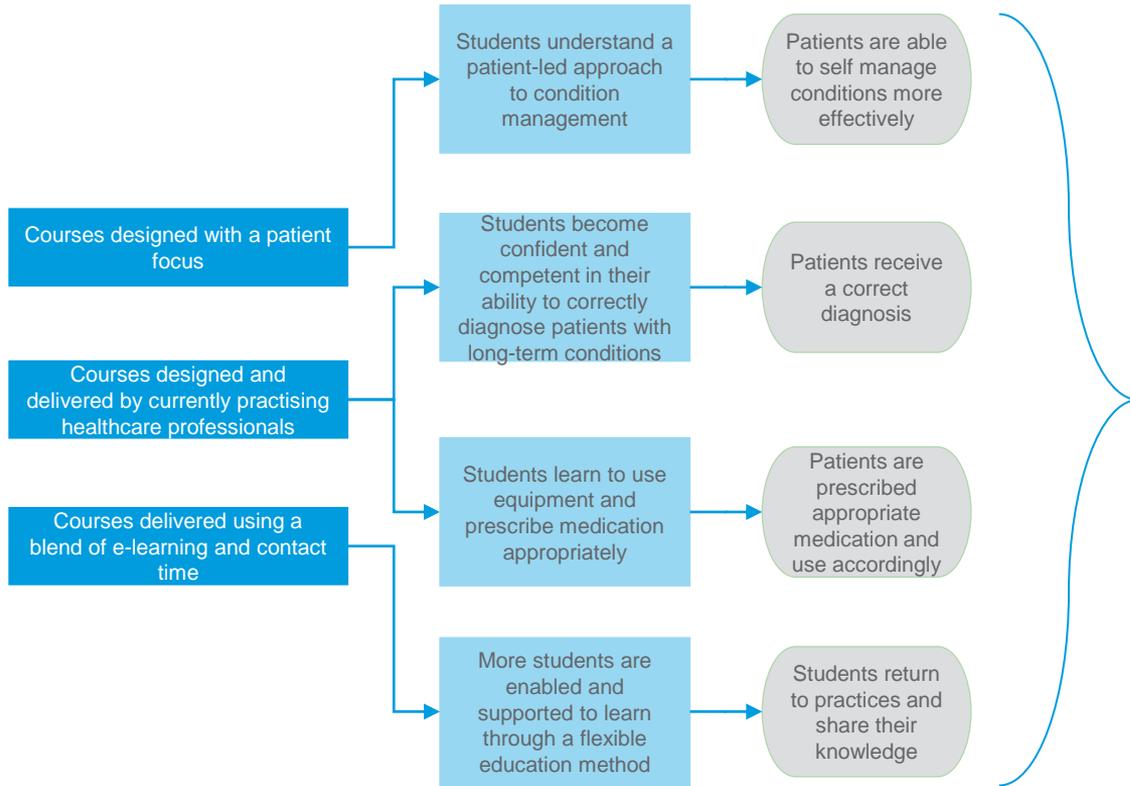


Impact made by your organisation

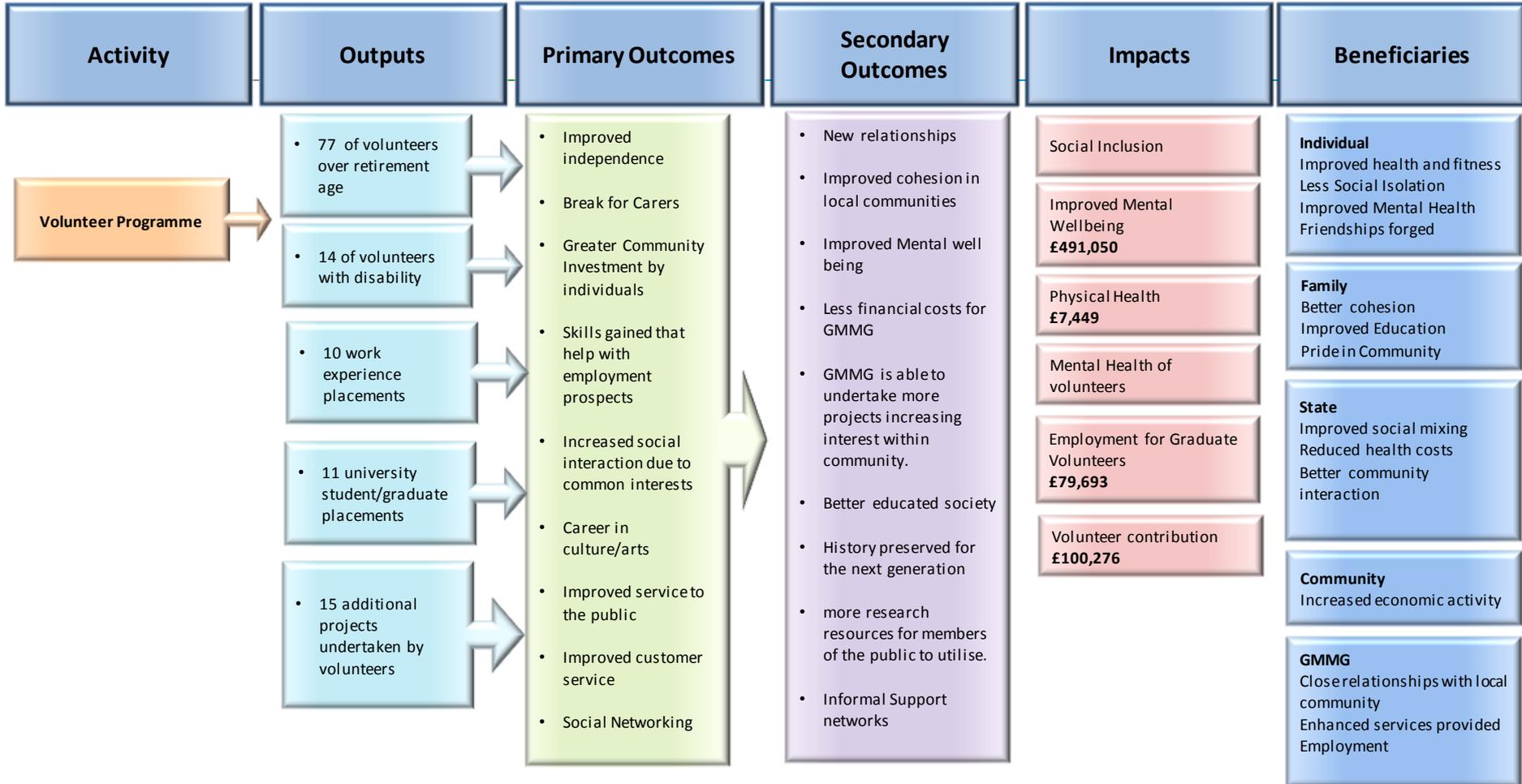
## Activities

## Outcomes

## Data capture



# Volunteers/Placements



# Examples of impacts measured

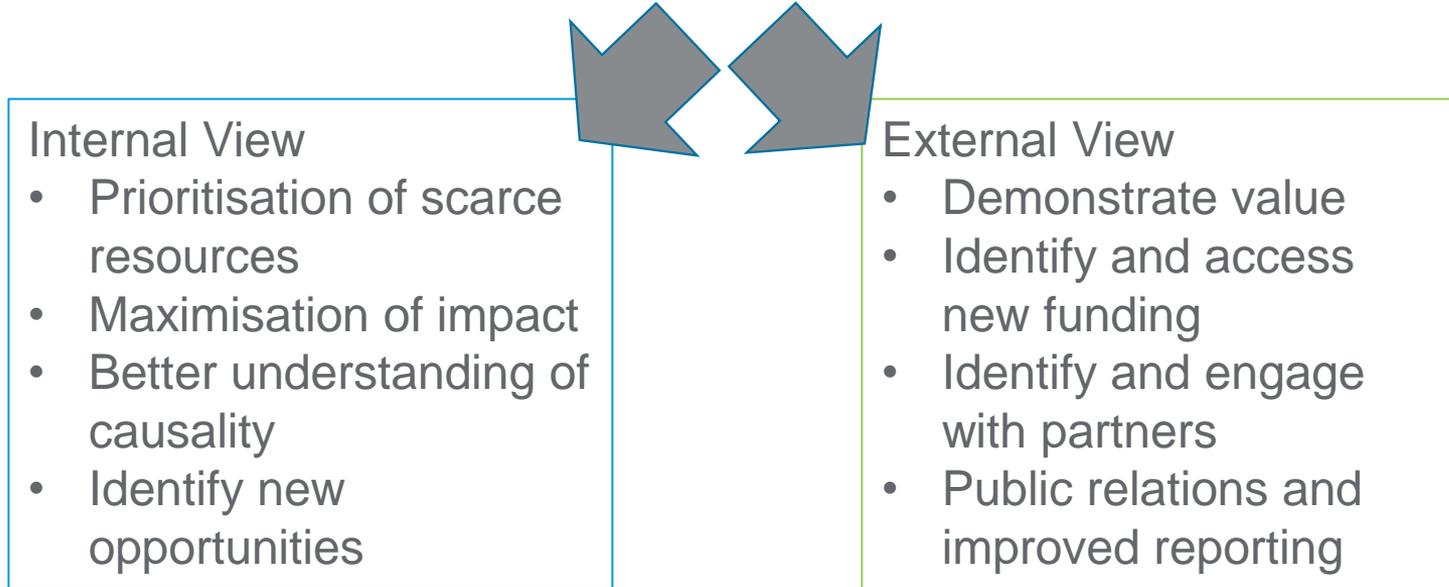
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- A sport and leisure trust - £15,410,498
  - Avoiding heart attacks
  - Reducing COPD costs
- A consortium of museums and galleries
  - Economic impacts - £14,375,595
    - Increased local spending
    - Increased funding awards
  - Community impacts - £3,623,909
    - Supporting local artists
- A housing association supporting the homeless - £590,564
  - Quicker discharge from hospital
  - Reduced police interactions

# Social Impact as an influencing tool

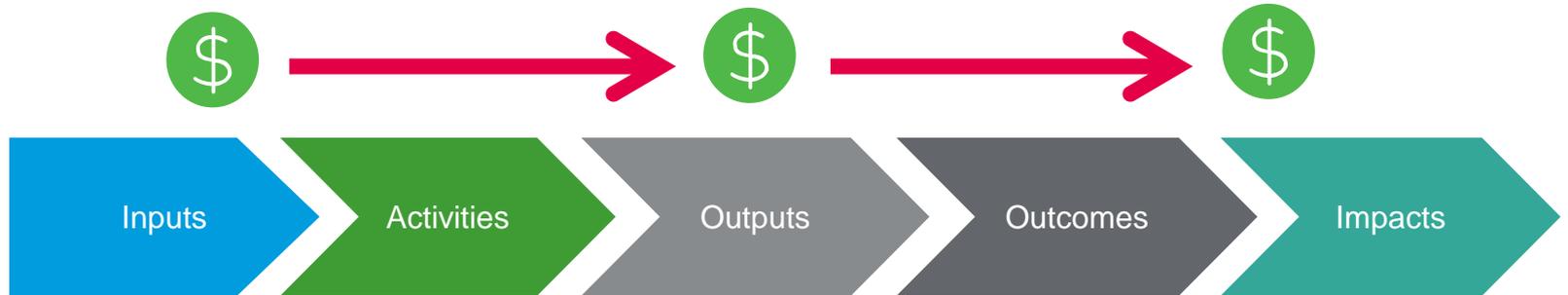
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## Understanding your impact



# Linking funding to impact

- Traditional models link funding to outputs
  - This can lead to disconnects in the theory of change.
- Funders are seeking less risk in funding services
  - Paying only for the outcomes achieved.
- This adds pressure to an organisation's reporting
  - How to obtain assurance over reporting.



# Issues and challenges

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Demographics/  
deprivation



Understand your target population and behaviours/patterns – greater gains for some populations

History



Identify local legacy and generational experiences/local environment changes

Behaviour/culture



Assess what is considered acceptable/what works, what doesn't and behaviours/attitudes – targeted engagement

Funding= longevity



Capital and revenue, business plan to support peaks and troughs and sustainability – evidencing a return on investment/decision.

# Other challenges....

1. It is subjective – people like black and white
2. Multitude of approaches
3. Understand the theory of change & managing expectations
4. Proxy values and ease of calculation
5. Develop financial proxies
6. Building an evidence base
7. Difficulties in getting started
8. Finding the time and resource to engage fully

# Questions.....

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