

# Best Practice Briefing No: 2



Enterprising solutions to reduce reoffending

## Measuring Social Value demystified....(a bit!)

*This best practice briefing has been prepared for SERIF following the 'Getting Creative to Reduce Youth Offending' event in Liverpool on 20th July 2012. Its author, Philip Angier, is principal of Angier Griffin and a leading practitioner in social accounting and social finance. Philip Angier is also a founding member of the Social Enterprise Research & Innovation Foundation (SERIF).*

### Why does it matter?

The term 'social enterprise' signals that the success criteria of the business are defined not just in terms of sales revenue, jobs created and financial return, but also in terms of social outcomes both for the individuals engaged in enterprise activity and for society at large.

Delivering any kind of enterprise activity within the Criminal Justice System (CJS) is demanding given the rules and constraints affecting the secure management and supervision of serving offenders, and the rules relating to budgets and financial reporting. In addition, NOMS has its own record keeping and performance reporting systems. Governors and managers are held accountable for the delivery of key performance targets.

It is not surprising, therefore, that measuring the social value of activity involving offenders is seen at best as an afterthought or at worst as an additional burden.

The purpose of this briefing is to introduce some of the approaches used to measure and report social value added, and to suggest how simple measures can contribute to the greater effectiveness of social enterprise activity. It also seeks to describe how, with appropriate planning, measurement tools can be embedded within the enterprise process without the fear of introducing another layer administration and record-keeping.



Angier Griffin is a social economy consultancy with extensive knowledge and experience of social accounting and measurement social value. It has delivered consultancy and training to a range of public sector and third sector clients.

[www.angier-griffin.com](http://www.angier-griffin.com)

### What are the right tools?

Increasing interest in techniques to measure social value has led to the development a baffling variety of tools and techniques. The policy environment is continuing to develop both in the 'for profit sector' with calls for higher standards of sustainability reporting from the International Integrated Reporting Committee (IIRC)<sup>1</sup>, and in the social enterprise sector with the introduction of the United Kingdom Parliament Public Services (Social Enterprise and Social Value) Bill 2010-11<sup>2</sup>.

The piloting of the first Social Impact Bonds has also excited interest in how public investment added social value can best measured and monitored over time.

However, the public debate, and many of the tools and measures proposed in response, look towards larger scale organisations. What may be appropriate for established third sector providers with annual revenues measured in £ millions or £10's of millions, will be oversized and too expensive to implement for early stage or more local social enterprises (as may often be the case with emerging social enterprises within the CJS). This briefing argues that is possible to distil the principles of the most widely used techniques to develop appropriately scaled solutions.

### The Impact Map

To a greater or lesser extent the main tools in use are all based upon the 'theory of change' model<sup>3</sup>, which has then been adapted by the New Economics Foundation and others to provide the Impact Map<sup>4</sup>.

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<sup>1</sup> See [www.socialenterpriselive.com/section/news/money/20110912/prince-charles-advisor-leads-business-call-link-financial-social-and-env](http://www.socialenterpriselive.com/section/news/money/20110912/prince-charles-advisor-leads-business-call-link-financial-social-and-env)

<sup>2</sup> See <http://www.guardian.co.uk/social-enterprise-network/2010/nov/17/what-you-need-to-know-about-the-public-services-social-enterprise-and-social-value>

<sup>3</sup> See <http://learningforsustainability.net/evaluation/theoryofchange.php> amongst other web references

<sup>4</sup> [www.thesroinetwork.org/publications/cat\\_view/29-the-sroi-guide-2009/34-impact-maps](http://www.thesroinetwork.org/publications/cat_view/29-the-sroi-guide-2009/34-impact-maps)

The change an organisation is trying to bring about is described in the final column of the Impact Map (eg *reduced reoffending, improved health, reduced cost to the public purse, etc*). It is very hard to provide direct evidence of these impacts – except within the context of a longitudinal study. Therefore the measurable Outputs and Outcomes of the Impact Map are used as evidence that the Inputs and Activities described are contributing to the desired social changes of the final column.

The Impact Map, or its equivalent in the Social Audit Network<sup>6</sup> methodology, provides a framework to identify the project deliverables (Outputs) and the changes in the lives of individuals and groups (Outcomes) which contribute towards the desired social impact.

When required, this data can also be used in support of calculations of the monetised ‘social return’ using the techniques of SROI.<sup>7</sup>

Fig 1

A sample impact map for a horticulture recycling project

Input	Activity	Output	Outcome	Impact
Grounds maintenance tools and equipment	Gardening, weeding, lawnmowing, planting, watering, general grounds maintenance	Delivery of MoJ targets (prisoner activity and recycling) (H)	Re-engagement with work (S)	Reduced re-offending
Tractor & machinery		Purposeful activity (H)	Acquisition of Skills (H & S)	Improved health of offenders
Polytunnels and glass house	Cultivation of plants and seeds in polytunnel / under glass	Wages for prisoners (H)	Qualifications (Horticulture only) - (H)	Improved employment prospects
Horticultural inputs (seeds, fertilisers, etc)	Developing cultivation plan	Achievement of training targets (H)	Enhanced self esteem / personal responsibility (S + CS)	Environmental benefits
Landscaping materials	Selecting produce for sale	Grounds Maintained (H)	Team working skills (S + CS)	Reduced cost to public purse
Rubbish collecting buggy	Designing/creating bouquets	New borders and landscaping (S)	Smoking Cessation (S + CS)	
Rubbish bins and containers	Designing and creating landscape features around the prison	Fresh produce for consumption in prison houses (H)	Physical exercise (CS)	
Food waste composter	Daily rubbish collections	Fresh produce for sale (H)	Healthier diet (CS)	
Staff supervision	Daily food waste collection	Out Flowers for sale (H)	Reduced landfill (H)	
Horticultural education	Hand-sorting refuse	Sorted recyclates for collection (H)	Revenue generation (H)	
Offender workforce	Operating food waste composter	Garden compost from food waste composter (H)	Improvements to the physical environment of the prison estate (S)	
	Horticulture education		Awards & recognition (S & CS)	

Types of Indicators: H = Hard Indicator (numeric, financial, certificate); S = Soft Indicator (interview or survey responses); CS = Case Study

## The Social Enterprise Context

The influences of social enterprise upon reducing re-offending are quite subtle, but can loosely be summarised under the headings:

➤ **impact upon the offender** – the design of work within a social enterprise will tend to place greater emphasis upon the individual and their contribution to the enterprise process – thus job design will seek to maximise opportunities to acquire/develop skills, the work environment will be participatory, encouraging the taking of personal responsibility and contributing towards team-working and process improvement, the sales channels may identify how and why the products have been made (eg the ‘Reap & Sow’<sup>5</sup> brand concept)

thereby encouraging the offender to take greater pride in her/his work and the end user to see themselves as linked to a positive process of training and re-integration into society

➤ **partner engagement** – many within society recognise our mutual interest in seeking to reduce re-offending and re-integrate offenders into society. A social enterprise model lends itself to acting as a meeting point to engage with the latent goodwill of those outside the Justice system to contribute to this process. Thus third sector organisations may assist the design and delivery of social enterprise solutions, and also may play an active role in continued support for ex-offenders after their sentence/supervision is complete. Through those same third sector networks, volunteers may be engaged who can contribute

<sup>5</sup> Reap & Sow is a new brand concept to market design-led consumer products manufactured by social enterprise workshops operating within prisons

<sup>6</sup> www.socialauditnetwork.org.uk

<sup>7</sup> www.thesroinetwork.org

towards the success of the enterprise, and can share their skills, knowledge and expertise to help individuals working within the enterprise (The REACH<sup>8</sup> project at Prinknash Abbey Gardens is an example of the wider community engaging with and supporting the work of the social enterprise). Business partners may also be attracted to engage with social enterprises whose aims coincide with their own Corporate Social Responsibility objectives.

As has been illustrated by the recent Social Impact Bond<sup>9</sup> pilots social enterprise also has the potential to engage the social investment community.

The social enterprise thus becomes the vehicle through which commercial, philanthropic and institutional partners can each make their distinctive contribution to the shared goal of reduced re-offending without surrendering their separate identity.

- **impact upon the work environment** – the demands upon the prison estate are many and complex, and social enterprise is not a ‘one size fits all’ solution. However, some of the best examples of horticultural social enterprise have a visibly beneficial impact upon the prison estate – for example the planting all around the estate and the Reflection garden at HMP & YOI Styal, or the successful greenhouses and farm shop at East Sutton Park. Where the fruits of the social enterprise activity can be seen within the estate, both offenders and staff will be encouraged to take greater pride in the establishment.
- **contribution towards the achievement of Home Office targets** – a key target for the prison estate is to increase the hours worked by those serving custodial sentences, and to improve the recycling of waste within prisons. At HMP & YOI Styal the horticultural and recycling activities have shown the ability to recruit, motivate and engage offenders such that a few volunteer to work extra hours, and the recycling of food waste through the ‘Big Hannah’ offers the potential for the compost to be re-used around the growing beds.
- **cost effectiveness and sustainability** – market-led<sup>10</sup> social enterprises can also be cost-effective in terms of their delivery. The enterprise activity allows labour value added products, such as horticultural produce, to be marketed and sold returning back to the Justice system a surplus over and above the cost of inputs.

The engagement of partners allows for management expertise, training and support/mentoring to be brought into the enterprise on a reduced cost or ‘pro bono’ basis. The social investment market opens the potential for access to ‘patient capital’<sup>11</sup> where required. The identification of the produce as emanating from a social enterprise may allow a better price to be earned from the customer (eg the ‘internal’ sale of cut flowers grown at HMP Styal)

The 2009 Concilium research report commissioned by NOMS made recommendations in this field:

- *Development of impact measurement of the work undertaken by third sector providers in general and social enterprises in particular....*
- *Developing an understanding of the benefits of, and promoting, the tools that are available to measure the impact of social enterprises, including Social Accounting and Social Return on Investment. Investing in this process will help to demonstrate achievement towards key outcome targets.<sup>12</sup>*

The same report went on to argue both that the MoJ procurement systems were not challenging social enterprises to produce evidence of social value added either as key performance indicators or by producing evidence from evaluations. Equally social enterprises had not yet adopted system frameworks through which to evidence the value added they claimed to be making.<sup>13</sup> However, the report was less explicit in its recommendations about the most appropriate tools to use.

## What reporting framework is required?

Some social value reports are intimidating in their size, scope and level of detail. But this doesn’t need to be the case.

Three golden rules should apply:

- **the social value report should be appropriate to the size and scale of the project or programme.** Thus a multi-million pound turnover organisation may produce a printed report of up to 80 pages in length. A small start-up social enterprise is more likely to produce a summary report on 2 – 4 sides of A4 with perhaps more supporting detail available on a website;

<sup>8</sup> REACH is a social enterprise offering horticultural skills and land-based activities and training to vulnerable young adults including those at risk of offending or re-offending - [www.reachweb.org](http://www.reachweb.org)

<sup>9</sup> [www.socialfinance.org.uk/work/sibs](http://www.socialfinance.org.uk/work/sibs)

<sup>10</sup> ‘Market Led’ means that the social enterprise will look first to what consumers/customers want, and then ask how to develop the training and resources to satisfy that demand, rather than begin with the ‘supply side’ (eg a prison workshop) and ask how to develop a market for what is produced.

<sup>11</sup> ‘Patient capital’ is the notion of social investments made by individuals or foundations where it is recognised that it may be a number of years before that investment can be returned. (Typically venture capital will look for a higher market return and an early exit or re-sale.

<sup>12</sup> Social Enterprises working with Prisons and Probation Services - A mapping exercise for NOMS – p11

<sup>13</sup> Ibid – pp 109 -114

- wherever possible **the data collected should flow naturally from the business process**, rather than become a separate process in its own right. For instance a community pay-back programme might operate a 'green/amber/red' register system to record the daily attendance, work contribution and attitude of those on the scheme. That same system can provide data for the social account, supplemented with some additional background about participants captured on registration and on leaving;
- **the report should be timely and should go to the right people.** Too often, social reports and evaluations are an afterthought, and they are out of date before they are compiled and disseminated. Even if some of the goals are long term (eg reducing re-offending) relevant performance and output measures can be fed back in a timely fashion so as to reward achievement or to address underperformance, using a simple dashboard style report (see example). Skills and qualifications gained could be monitored quarterly (on in line with the Learning & Skills regime) and attitudinal surveys/soft outcomes could be reported every six months using a combination of entry and exit interviews, attitude surveys and comments books.

### Useful Websites for Further Reference:

[www.demonstratingvalue.org](http://www.demonstratingvalue.org) - a social enterprise performance dashboard & reporting framework

[www.proveandimprove.org](http://www.proveandimprove.org) - a guide to social measurement tools

[www.pluggingtheleaks.org](http://www.pluggingtheleaks.org) - a guide to 'Local Multiplier 3'

[www.dta.org.uk/resources/publications](http://www.dta.org.uk/resources/publications) - DTA 'health check

<http://offline.cooperatives-k.coop/live/cme2072.htm> - for Co-operative Environmental and Social Performance Indicators (CESPI)

[www.outcomesstar.org.uk](http://www.outcomesstar.org.uk) - for the Outcomes Star

[www.thesroinetwork.org](http://www.thesroinetwork.org) - for a guide to SROI Methodology

[www.socialauditnetwork.org.uk](http://www.socialauditnetwork.org.uk) - order a guide to social audit

[www.socialimpacttracker.org](http://www.socialimpacttracker.org) – on-line data management tool

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## About the Social Enterprise Research & Innovation Foundation

The Social Enterprise Research & Innovation Foundation (SERIF) champions socially enterprising approaches to the rehabilitation of offenders, and the diversion of those deemed at risk from offending behaviour.

SERIF will work with civil sector organizations, the Criminal Justice System (CJS) and academia to improve the quality and effectiveness of interventions.

