IS IT WORTH IT?

How to measure social return on investment

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PREFACE

Social interventions are social *investments*, we wrote at Local Government Denmark (LGDK) in 2013, when we published a discussion paper concerning the social policy of the future, under the title "Invest Before it Happens". Our position has not changed. Social interventions must be viewed as social investments that in a preventive and rehabilitation perspective shall achieve the greatest possible effect. We must not just do *something* – we must do what works, and what works best. As a society, we must quite simply spend the money to give the greatest possible return on investment.

So you might ask why we do not do just that. There are several answers to this question.

Firstly, we need to eliminate financial and professional silo thinking if we are to target our social interventions and use our resources more sensibly. Social interventions are not only items on the budget, but *also* social investments, even if the benefits are often reaped in another area than where the investment was financed.

Secondly, we need to increase our knowledge of *what* works, *how* it works, *why* it works, and for *whom*. In other words, we need to gather knowledge of the individual interventions, so that we can document that they also create the expected value and, not least, prioritise the resources accordingly.

This book provides a qualified proposal for how we can achieve better prioritisation of social interventions. It not only describes why it is important to work with social return on investment in the municipalities, but also provides inspiration for how you can actually start doing this.

Here, you can find numerous ideas, methods and tools to work with social return on investment, as well as a practical guide to performing a return on investment analysis from start to conclusion.

The tools can inspire your team, your department and the various administrations to target and allocate social interventions in a better way than we do today. We must dare to take a critical look at the social interventions, discard the poorer ones, spend more resources on the good ones, and keep asking ourselves: Can we use the resources better?

Jan Olsen
Chief Economist, Local Government Denmark (LGDK)

INTRODUCTION

It is well-known, and often repeated, that the welfare state faces enormous challenges: the costs of welfare benefits are increasing steadily, fewer hands have to provide welfare to more people, and the public sector is caught in the crossfire between limited means and increased demand. The issue is complex, but the point is simple: more welfare has to be provided to more people, for less money. For this to succeed, as a society we need to increase the value of public welfare benefits, and be able to justify the opt-ins and opt-outs that we are obliged to make.

Take a look at the man on the street – we can call him Christian. Christian is one of almost six million Danes. Aged 24, he is unemployed. He grew up in a provincial town, in a vulnerable family. His father drank, and his mother found it hard to cope with the everyday chores. As a teenager, Christian also faced substance abuse problems that almost cost him his life. He started training as a carpenter, but dropped out after the first practical training placement. Now, he subsists on social security benefit and moonlighting here and there. He can feed himself, but he is not particularly happy.

Christian never sat still long enough in school to learn words like "crossfire" and "investment perspective". Nonetheless, he personifies these particular concepts: crossfire, because there are more and more people in need of help, and thereby fewer and fewer means to help *him* in particu-

lar. Investment perspective, because we as a society should get something out of him, just as he should get something from us: education, a job, a home and quality of life. If we are to help Christian, and others like him, to achieve a better life, we need to take some measures that actually work. We cannot afford to close our eyes, and we cannot afford to fumble in the dark, either.

THERE ARE SOME GOOD STORIES, BUT ...

In Denmark there are many good stories from successful social interventions, but we would still contend that the social welfare area is affected by a distinct lack of knowledge of what actually does work. Documented knowledge of what is of greatest value to whom, and why, is quite simply in short supply. This is not to say that an employee may not have a good understanding of which interventions work, but this knowledge is rarely shared so that others can benefit from the positive experience.

We thus generally lack an overview of who receives which social interventions, their outcome, and at what price, just as we lack shared concepts to describe and document both the interventions and their outcome. This lack of knowledge constitutes a barrier to managing and prioritising the interventions, and blocks the path to effective use of resources in terms of individual interventions, cross-disciplinary interventions, and the many target groups who, today and in the future, will receive assistance.

Besides these challenges, we are also perhaps sometimes afraid to open certain doors, because we are well aware that we will not like what we find behind them. We hear a lot about ineffective job creation schemes, remedial teaching without any significant results, insufficient integration, or the fact that very few of the children who are

placed in care gain higher educational qualifications. The examples are legionary.

In recent years, several analyses from such bodies as the Danish National Board of Social Services have questioned the return on investment from social interventions, and have thereby cast doubt on the growth in expenditure for a number of cost-intensive items. Meanwhile, several municipalities have shown that it is actually possible to prioritise how funds are used in the social welfare area, so as to promote effective interventions: help for self-help in the elderly care area, greater inclusion in lower secondary school and fewer children taken into care in residential institutions – to name just a few.

Yet besides these success stories there are also many failures. A whole deck of interventions is dealt, but the cards are rarely shuffled together again in order to discard the less effective interventions.

At Deloitte, we have worked for and with the Danish municipalities for several years. We have seen how funds for social welfare interventions are often distributed thinly, rather than being invested so as to focus on the interventions that really have an effect. As a result, far too many interventions merely address the symptoms, and many people's lives are not improved, even after several interventions and worthwhile attempts. A large proportion of these people never escape from public welfare benefits, making them extremely expensive for society – to put it bluntly.

This means that practicians and decision makers are forced to ask themselves: What is it most worthwhile to initiate, from a socioeconomic viewpoint? What creates value? What creates less value? And what does not create any value at all? The responses are not obvious, since they require an insight into both economic outcomes and social welfare outcomes.

Comparing the outcomes of the interventions – or comparing the interventions with status quo – is usually an equation with many unknowns and many assumptions. Nonetheless, this comparison has to be made in a society like ours with extremely high social welfare expenditure. If we do not dare to calculate the outcomes, we will have no knowledge of the value of the interventions. Without this knowledge, we cannot make qualified choices, or invest in the right types of prevention. We quite simply have no chance of directing funds towards the interventions that create the most value.

FOCUSING ON SOCIAL RETURN ON INVESTMENT MAKES GOOD SENSE

From our experience in the social welfare area we know that far too many interventions are initiated with a short-term perspective. These interventions often serve as emergency fire-fighting measures, rather than as a long-term solution to citizens' problems. At best, they do more good than harm. At worst, they make the national headlines.

With this book, we would like to inspire professionals and decision makers to focus more on social return on investment and to reflect on how resources in the social welfare area should be used. We believe that analysing social return on investment will become more prevalent, since we, as a society, need to spend the money where this gives most value. In this book, we present some practice-based tools that can be used at the strategic level, as well as in the day-to-day work with citizens.

We have written this book in order to show how it makes good sense to think in terms of the return on investment in conjunction with interventions in the social welfare area. We also wish to show how the tools to assess the return on

investment are available and relevant to use in the individual municipalities, as well as in conjunction with cross-municipal interventions. A complete analysis of a given intervention that includes all outcomes and economic calculations may be a major undertaking, but can also be tackled on a smaller scale. Often, relatively simple tools can make it possible to document the return on investment, whether this be in terms of planning interventions that have not yet been initiated, or evaluating interventions that have not yet yielded the expected value.

Priorities need to be set in the social welfare area, whether we like it or not. Irrespective of how we approach this, funds that are channelled into one intervention will not be available elsewhere. All other things being equal, explicit prioritisation based on social return on investment from the interventions is preferable to implicit prioritisation based on habits, gut-feelings or testing the wind. Greater use of social return on investment analyses will mean that less effective interventions can be discontinued, in favour of interventions that yield higher social returns on investment. When an analysis concludes, for example, that coordinated interventions for vulnerable families have significant positive outcomes from both economic and welfare perspectives, this is a strong argument to use the same model to review and prioritise other interventions.

RECIPE FOR AN ANALYSIS OF SOCIAL RETURN ON INVESTMENT

In this book we explain – step by step – how to perform a social return on investment analysis. We use examples from real life to underpin the theory, and conclude each chapter with a check list and references to relevant literature.

The book is inspired by theoretical contributions from the literature on social return on investment, as well as practical experience. It is not targeted at specific professional groups, but is intended to serve as a source of inspiration to anyone engaged with the social welfare area. Tools are thus available, whether you work with the strategic, economic or practical aspects of the social welfare area, and whether you have already performed several social return on investment analyses, or are to do this for the first time.

The book is based on the SROI method of measuring social return on investment, which was developed in the USA. SROI stands for *Social Return on Investment* as a calculation of social return on a given investment.

- In the first chapter of the book we describe what SROI analyses are, and how they can be used. We discuss, for instance, why social interventions should be evaluated, and why the SROI method is a useful evaluation tool.

- In the following chapters we present the actual analysis framework: from delineating the analysis, setting up indicators and collecting data, to outcome evaluation, calculation of economic welfare value and disseminating the analysis' results.

- In the final chapter we discuss how the results can be used in practice, and how decision makers, practicians and, not least, the citizens who receive social benefits, can make use of increased evidence.

We would like to thank Rebild Municipality, the Greenlandic family centres, Bybi, the International Fund for Ireland (which is behind the GRIT programme), the Danish Agency for Labour Market and Recruitment, and everyone else who

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Enjoy your reading!

Mette Lindgaard, *Peter Thorgaard* and *Morten Wiene*
Copenhagen, January 2015

01

SOCIAL RETURN ON INVESTMENT – A GUIDE FOR THE SOCIAL WELFARE AREA

Jane is 21, single mother to a daughter aged three, has a lot of debt and no educational qualifications beyond lower secondary school. Since she left school, she has had various unskilled jobs of shorter or longer duration. She is currently receiving social security benefit, which is by no means enough to help her resolve her current financial problems.

According to the Danish Act on Active Employment Measures, Jane must be offered a course of compulsory education. She finds out that she would like to train as a social and healthcare assistant and, with the Job Centre's help, gains a place at Social and Healthcare College. In the first weeks everything is fine. Jane drops her daughter off at nursery school every morning and also buys a season ticket for the bus, so that she does not have to cycle in the rain and snow. But after a month the classes start to bore her. After two months she drops out because the course does

not match her expectations, and she finds it hard to concentrate because she is worried about her financial situation. The college's education counsellor tries to persuade her to stay, but in vain. Jane says that she has given up on education, and would rather get a job when the right opportunity arises. The next day, she is back at Citizen Services to apply for social security benefit. Once again, she has gone back to Start.

Could Jane's life be different, if different interventions had been taken for her? If the municipality had paid for a course in planning and managing her private finances, instead of passive support? If she had been offered a practical training position at a nursing home, for example, to increase her chances of getting a permanent job? If the municipality had offered her active assistance when she left school at 16 without any idea of what she wanted to do, and without the support she needed to get on in life?

We must assume that the answer is yes – since we do know that it is possible to make positive changes to the course of your life with the help of positive intervention. If we calculate the total costs of the alternative interventions listed above and compare them with the value they can be expected to create, we can see that the municipality would have saved up to DKK 200,000 per year if Jane had gained educational qualifications, a job and stable finances, and had thereby been able to achieve a secure life for herself and her daughter.

THE SROI ANALYSIS IN A HISTORICAL PERSPECTIVE

Jane's story shows that even a simple analysis of social return on investment can help to illustrate both the welfare and economic outcomes of a given intervention. The knowledge gained via the analysis can also contribute to answer-

ing key questions: is the least expensive intervention also the least expensive in the long term? Is early intervention better than late? Which interventions work? Which do not work? How much should be invested in people like Jane, seen from a welfare-economic perspective?

Considering Jane's life and reflecting on how we can help her, it thus makes good sense to think in terms of social return on investment, and also to question whether specific interventions work or not. It is therefore surprising that the concept of SROI is actually relatively new.

Ideas about measuring social interventions have naturally existed for decades, but an actual method did not appear until the late 1990s, when the Roberts Enterprise Development Fund (REDF) and Harvard Business School together examined the welfare-economic outcomes of employment interventions in San Francisco – and quantified them in economic terms.[1] Since then, the method has been further developed and refined by practicians and theoreticians alike, and especially by American and British researchers, who have made significant academic contributions.[2]

In Denmark too, there has been increased focus in recent years on elucidating the results of social welfare interventions. Even though the SROI analysis is a relative newcomer, both public and non-profit organisations have long been working on similar analyses to show how their interventions and projects can make a difference. These analyses have made a significant contribution to focusing the authorities' attention on whether society gets enough for its money. In particular, they have served as a tool for front-

1 Jed Emerson, Jay Wachowicz and Suzi Chun: "Social Return on Investment: Exploring Aspects of Value Creation in the Nonprofit Sector". REDF (2000).

2 Jayne Jönsson: "Social Return on Investment: Rooms for improvement and research" (2013).

line employees, who have suddenly been able to document the value of their work – giving them far more influence in any discussion of priorities.

Even though the SROI method has gained some ground, there is still no universal method of assessing social return on investment. It must also be said that analyses of social return on investment vary considerably in terms of scope, content, method and degree of detail. If we already have a lot of knowledge about an intervention area, it will be easier to map social return on investment, all other things being equal. On the other hand, if we have limited knowledge of, for instance, costs, target group and the potential outcomes of the intervention, an analysis will naturally be more difficult. The level of detail is also related to the purpose of the investigation and the resources available, and whether the timing perspective is shorter or longer.

Good results in Greenland

Mette Lindgaard relates: As a Deloitte consultant and partner I have been to Greenland numerous times, first to analyse foster families and residential institutions, and later to support the country's family centres in their interventions for some of the most vulnerable children and their families. In the family area, Greenland is very different to Denmark. Close to 10 per cent of Greenlandic children are taken into care, either with foster families or in institutions, while in Denmark the number can be counted per thousand. Their stories are often heart-rending, especially among the most vulnerable families, who often struggle with substance and alcohol abuse, unemployment and mental health issues. As always, the children suffer the most.

The fact that so many children are taken into care is not just a sad reminder of the social problems that Greenland faces, but also an administrative challenge, since there are quite simply not enough foster families and institution places. Many of the children I have spoken to have been taken into care in four to five different places, giving them very poor prospects of combating the negative intergenerational legacy.

The Government of Greenland has, therefore, had the longstanding aim of improving its preventive interventions for these families – and of measuring whether the preventive interventions have any effect. The aim was – and still is – to keep the families together and to improve the children's welfare. It is also vital to share experience and that politicians, managers and case officers all gain a better understanding of what actually works.

In cooperation with the centres' staff we therefore developed a simple method of screening the vulnerable children: we measured their health, their absence from school, their development and leisure interests, and their family circumstances – in order to identify their point of departure and take the right action.

Based on this continuous screening, the family centres have taken a major step towards being able to offer the right interventions to vulnerable children and adolescents. They can only be assured of a better future when we begin to follow up on the various measurement parameters, collect and evaluate data and, not least, learn from each other.

I would call the development in Greenland a quantum leap – even though the method has not yet been fully implemented. It is a quantum leap because, as part of the daily work, the family centres' employees

have begun to use the professional systematic approach that is needed to be able to follow up on and measure the outcomes of the various interventions. This systematic approach is especially vital for the preventive interventions that may not pay their way from the first day, but will be worthwhile in the longer term. The family centres are, quite simply, thinking and working in a whole new way – for the benefit of the many vulnerable Greenlandic children. We also have numerous good examples of how these preventive interventions do pay off. The most powerful argument is probably that the method has made it possible to help 15-20 families for the price of a single place in a residential institution.

MORE THAN AN ECONOMIC ANALYSIS

There can be strong variation in analyses of social return on investment, but they all share in common that they usually depend on a cross-disciplinary methodology that also borrows from various social science disciplines. The SROI method – as it was developed at Harvard Business School – is, for example, inspired by an economic approach that calculates outcomes in quantitative terms. This means setting hard numbers for what can be achieved with an intervention. In particular, there are clear parallels between SROI and a classical cost-benefit analysis, which sets up a number of project-related and operational costs against a series of personal and societal benefits. By compiling all benefits and deducting the total costs, an SROI analysis can assess the overall intervention compared to other alternatives. If various time horizons are also set, it is possible to reveal whether the intervention is also profitable in the long term.

These economic scenarios are a key aspect of an overall assessment of social return on investment and, among other things, make it possible to assess how the costs change over time, and when the costs of the investment will be recouped – which in the investment world is called *break-even*.

So is the SROI method just an economic calculation? Definitely not. The economic calculations in an SROI analysis can never stand alone, but must always be combined with softer welfare outcomes. For the young and vulnerable, these welfare outcomes might be improved health, better family relations, a wider network, greater self-determination and participation in the labour market, and well-being and security.

To put it bluntly, the overall objective of an SROI analysis is to measure social return on investment by *documenting* and *evaluating* the effects of social changes. This concerns the *economic effects* that directly impact budgets (when a client is, for instance, assisted with transitioning from passive welfare benefits to a job), as well as the *welfare outcomes* such as increased quality of life and greater motivation. Even though the welfare outcomes cannot be immediately identified in economic terms, they often manifest themselves as economic benefits in the longer term. In this context, the *return on investment* is a well-known measure of how much we get for each krone invested. Adding *social* to this equation emphasises the focus on creating value for society and its citizens. This also underlines how SROI is different to and far more than an economic analysis since it also includes such dimensions as welfare and social returns, as the Figure shows.

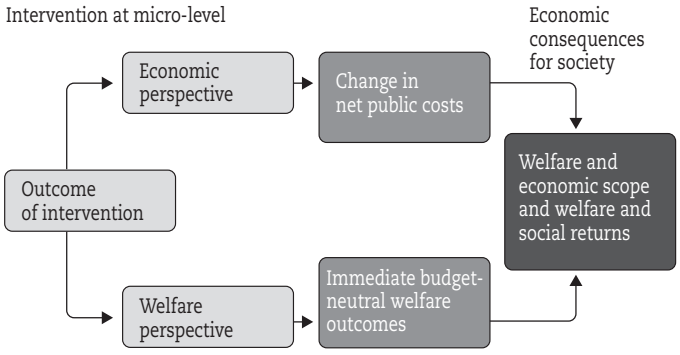

Figure 1: The SROI method links up the economic perspective with the welfare perspective.

Besides documenting value at several different levels, the SROI method also makes it possible to compare social return on investment for interventions across citizens and administration areas. This knowledge is vital when a municipality or other public organisation is to make strategic decisions concerning the services they should focus on. The SROI analysis can also be used at both micro and macro level by showing the value of interventions for the individual citizen, for the municipality in question, or for society in general. This interlinking of micro and macro levels is one of the greatest strengths of the SROI analysis. By analysing the relation between outcomes for the individual and for society, it is possible to compare interventions across groups of citizens. This knowledge is, in fact, a precondition for the prioritisation of interventions, whether you are a politician, manager, front-line employee or number cruncher.

SROI IN THE REAL WORLD

According to the SROI theory, the economic perspective and the welfare perspective are closely related. This is also the case in the real world.

A good example of this interrelation is Rebild Municipality's *Project New Start*, which was established to ensure a more holistic intervention for the vulnerable families in the municipality who, up until then, had been in contact with the municipality's administrative departments, but often without any measurable effect. The families were characterised by complex social problems and a large proportion of the parents had mental health issues, had been out of work for a long time, and were subject to several different social interventions. The children typically inherited the parents' problems and thus achieved significantly less at school than their classmates from less challenged backgrounds. Many of the children also suffered from low self-esteem and mental health problems, and were generally left to fend for themselves.

Instead of addressing various symptoms, the families subject to *Project New Start* were offered a cohesive, prioritised and solid intervention, across the municipality's professional areas. This included efforts to create trusting relationships between case officers and the families, so that together they could work towards realistic solutions to the families' problems. The project contributed to improving the welfare of the individual families, with focus on supporting the children's schooling and the parents' participation in the labour market or the education system.

Project New Start has been a success for the vulnerable families in Rebild since the interventions have led to not only a number of positive welfare outcomes for the individual families, but also beneficial economic effects, even in the short term. The parents have received help to tackle

their problems, increasing their motivation to take control of their own lives. These improvements have had an extremely positive impact for many of the children: they have stronger ties to their schools, more activities outside school, and greater self-esteem. In addition, getting more parents into work or education has led to economic gains in the form of reduced transfer incomes. In the longer term, the economic savings may prove to be considerably greater, especially if the deadlock of social inheritance is broken, so that the vulnerable children do not grow up into vulnerable adults.

KNOWING WHAT WORKS

The learning from *Project New Start* and many similar projects is that the way forward in the social welfare area is to know more about what actually works. One might ask: "Do we really know so little about the effect of social welfare interventions?" We must have learned something in Denmark, after so may decades with a well-consolidated social services system.

We do know something, of course, as we can see that many of the unemployed do find work, that substance abusers are helped, and that many vulnerable children and adolescents grow up into adults who live good lives.

Yet we still lack vital knowledge, since if we add more nuances to the question it becomes harder to give precise answers. Do the long-term unemployed find work due to specific interventions? Would alternative interventions help a larger proportion of substance abusers than is the case today? Which interventions are the actual reason that the young people manage to live good adult lives?

By assessing an intervention's results – while taking account of other factors that might affect the intervention's

recipients – outcome evaluations can help to underpin the assumption that interventions do actually work.

When an outcome of a specific intervention has been repeatedly identified, we say that there is evidence of its effect. The evidence concept is used in many professional disciplines, and there are varying perceptions of what evidence actually is. When used in conjunction with social interventions, the concept expresses how decisions concerning users' welfare are carefully and critically based on applying the current best evidence in the area. "Current best evidence" does not necessarily mean that there is evidence that a given intervention has a specific effect, but that, at the time in question, it is the best-qualified response to a given problem.

The evidence philosophy is an underlying factor in analyses of social return on investment. It is vital that interventions are based on the current best evidence, but it is also important that new knowledge is accumulated through careful evaluation of social return on investment from the various interventions.

As described, Rebild Municipality has achieved major benefits from coordinating their social and employment interventions for vulnerable families. The interventions have also emphasised that the greatest problem for vulnerable children and adolescents is very likely to be their parents. When the parents' lives improve, this also affects the children. The experience from Rebild is now being disseminated in other municipalities, with inspiration from, for example, the holistic approach based on one coordinating case officer. However, disseminating this practice requires an ability to assess social return on investment and give the assurance that the interventions are effective, so that the planning, evaluation and collection of knowledge are part of a continuous cycle, as illustrated here:

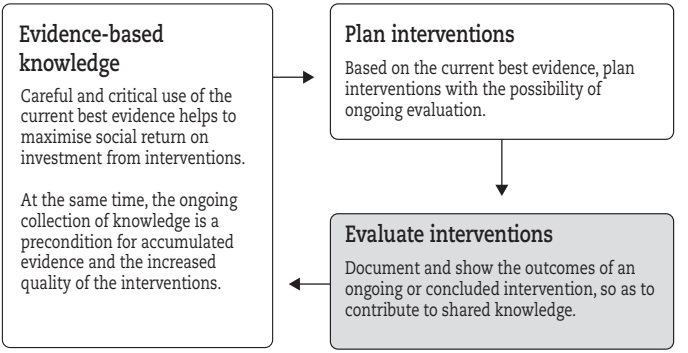

Figure 2: Increased evidence in the social welfare area.

FOCUS ON PREVENTION

In terms of social interventions, we cannot avoid the schism between prevention and treatment – what LGDK calls "investing before it happens".

To put it bluntly, we would claim that a large proportion of the interventions in the social welfare area are initiated on the basis of short-term, immediately measurable parameters, while the long-term social and economic effects, which are more difficult to quantify, often fade into the background when budgets are negotiated. The preventive interventions in particular are the losers in the big distribution game – even though research shows that the potential long-term savings from early interventions for the socially vulnerable are on such a scale that even a few successes can pay for greater investment.[3]

3 Henning Hansen, Niels Rasmussen and Finn K. Hansen: "Investeringer i tidlige sociale indsatser – samfundsøkonomiske beregninger af indsatser i forhold til udsatte børn og unge" (Investments in early social interventions – socioeconomic calculations of interventions concerning vulnerable children and adolescents). CASA (2010).

The Swedish macroeconomists Ingvar Nilsson and Anders Wadeskog[4], for example, have investigated the economic consequences of early intervention for vulnerable children and adolescents. In the same way, the Danish National Council for the Unmarried Mother and Her Child's *Project Kick Start*[5] has shown that early interventions for very young mothers are an extremely good investment since they eliminate a number of issues and costs and also lead to social and economic benefits, as the Figure illustrates.

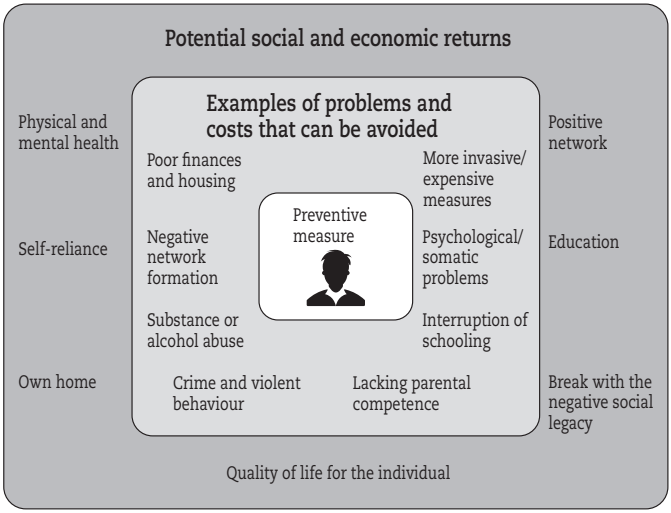

Figure 3: Issues eliminated and benefits achieved.

The Figure's inner circle outlines a number of the issues that typically entail major longstanding expenditure items

4 Ingvar Nilsson and Anders Wadeskog: "Det är bättre att stämma i bäcken än i ån" (A stitch in time saves nine) (2008).

5 Rasmus Højbjerg Jacobsen: "Beskrivende analyse og cost-benefit-analyse af en ekstra indsats over for unge mødre" (Descriptive analysis and cost-benefit analysis of extra interventions for young mothers). Centre for Economics and Business Research, CBS (2010).

on public budgets. The outer circle illustrates the social and socioeconomic returns that can also result from successful interventions. Effective interventions will thus have a dual effect, since it is possible to make savings on the expenditure side and also achieve economic and social returns. By systematically collecting evidence of the outcomes of social welfare interventions, it is possible to specify which interventions make a difference, why they do so, and how. Since research indicates that preventive interventions are particularly effective, there are many good reasons to focus on them.

A PLANNING AND EVALUATION TOOL

SROI analyses thus give indispensable input to decision makers in the social welfare area, as a tool for both planning and evaluation. Firstly, SROI analyses can be used in a forward-looking perspective, whereby an intervention's potential social return on investment can be mapped before the intervention is implemented. In this case, the data collection is typically based on earlier interventions, research or the involvement of experts in the field. On this basis, it can be shown whether a given intervention is based on the current best evidence, and whether it is a worthwhile investment at all, viewed from a social return on investment perspective.

Secondly, the SROI analyses may also be based on an ongoing intervention, or an intervention that has been concluded and is therefore required to be evaluated. In this case, the analysis contributes to assessing the extent to which the intervention matches the resources used, and the value created by its individual components.

SROI makes it possible to:

- Document value at different levels – such as for citizens, the municipality and for society.
- Include both welfare outcomes and economic effects when an intervention is assessed.
- Assess social return on investment from coming, ongoing and concluded interventions.
- Promote knowledge development and learning, thereby strengthening the interventions.
- Create the basis for prioritisation of the different interventions.
- Share knowledge of interventions and their outcomes among various players – both within an organisation and across organisations.

GET STAKEHOLDERS ON BOARD

Whether the SROI analysis is performed retrospectively, proactively, or as an ongoing evaluation, it is vital that the return is always viewed through a multi-faceted lens, for example by involving relevant stakeholders in the analysis.

Involving stakeholders is an effective way of enriching an SROI analysis, since various stakeholders can together identify a wide range of possible benefits and costs that would otherwise not be evident. Besides the recipients of the intervention, typical stakeholders will be front-line employees, experts in the field, or administrative employees. The stakeholder concept can also be spread even wider to include relatives, neighbours, companies, NGOs, or the local community in general.

Stakeholders can thus contribute to expanding the number of experienced returns (or experienced costs), but can also help to expand the concept of return in itself. Returns are thus not only expressed in the traditional sense – what is typically called *citizen-experienced quality* – but also as organisational or professional returns, which are at least just as important. For example, an intervention that improves internal work processes or case handling will concern very different stakeholder groups to an intervention that is based on close contact with clients. Front-line employees can pinpoint which outcomes stem from the intervention, while in other cases it is important to elucidate the citizen-experienced quality via interviews with or questionnaire surveys of the target group. This will make it possible to measure several aspects of social return on investment, just as it will be easier to identify which elements of the intervention actually create value.

SOCIAL RETURN ON INVESTMENT – ONE STEP AT A TIME

We have, hopefully, now shown that SROI analyses are worth spending time on. The obvious question is therefore: How should an analysis of social return on investment be implemented? The answer depends on the level of ambition, the focus of the analysis and the resources available. In its simplest form, an analysis of social return on investment may consist of a number of simple before-and-after measurements that reveal the connection between intervention and outcome. In a more sophisticated form, the analysis can follow the six continuous phases shown in the Figure, which together constitute the actual SROI method and help to ensure validity and systematisation.

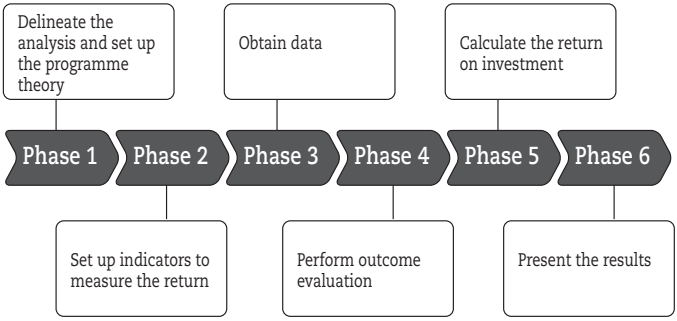

Figure 4: The six phases of the SROI method.

Before commencing an SROI analysis, it is an advantage to form an overview of the entire process and also to be aware of how the individual tasks can be performed in practice. It is also a good idea to already document opt-ins and opt-outs in the introductory phase. This documentation is an important contribution to the credibility of the analysis since we are forced to state why one analysis focus has been chosen rather than another, and which perspectives have been opted in or out of.

Once the documentation is in place, the cornerstones can be laid for the actual SROI analysis by delineating and establishing an analytical focus and setting up a programme theory that displays the relation between the intervention's resources, activities, results and expected outcomes. This creates the framework for the subsequent phases. It is not always possible to elucidate every aspect of an intervention. When this delineation is made, it must be considered what it is most relevant to examine, and how far the resources will stretch. The programme theory gives an overview of the intervention's various components, and also of the entire intervention as a framework for the ongoing measurement of social return on investment.

In the next phase, indicators are set up as a tool to measure various aspects of the programme theory. The indicators might, for example, be the target group's health, function level or readiness to work. These indicators can, for instance, be developed by involving relevant stakeholders, just as they can be developed on the basis of professional knowledge and previous analyses. After this, data is collected using a series of qualitative and quantitative methods that together can elucidate the intervention's outcomes and costs, and support the indicators that have been set up. In this case too, it is customary to use stakeholders to gather knowledge, while proxies are used to calculate the economic returns. Proxies are replacement price measures of outcomes that do not have an immediate market value, such as better health or less crime.

When the indicators have been set up, and the required data has been collected, the intervention is subject to outcome evaluation. In this book we present various strategies to evaluate the effect of a given intervention, including an experimental approach whereby the target group is divided into a control and an intervention group, as well as a process-based approach that is predominantly qualitative.

Based on the outcome evaluation, it is possible to calculate the actual social return on investment. First, we present a scenario model that, on the basis of knowledge of the target group, alternative costs and prognosis calculations, can elucidate the economic consequences of a given intervention. Then we present the classical method to calculate an SROI ratio of the costs versus benefits, in monetary terms. The latter should be seen as a methodological *opportunity,* not a methodological *requirement*. Once an outcome evaluation of a social welfare intervention has been performed, much progress will have already been made, but if we can – and dare – compile all of the outcomes quan-

titatively, we will have a clear picture of whether the intervention is a worthwhile investment.

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02

OPTING IN AND OUT

Bill is aged 48. He is a trained educationalist and has a permanent job in an after-school centre. During the last month, however, he has been on stress-related sick leave, and his doctor believes that this condition has lasted for more than a year. The doctor also assesses that Bill will not be able to get back to work full-time until after another three months' sick leave. Overall, this sick leave costs the municipality almost DKK 90,000, among other things to cover sick leave benefit and follow-up interviews.

Based on the doctor's assessment, the municipality grants sick leave benefit to Bill, who is then on passive sick leave for the next three months, until he returns to work, by agreement with his employer. After a few months back at work, he goes back on sick leave, and once again the diagnosis is stress.

This time, the municipality takes a different approach. Bill is granted ten hours of occupational psychologist consultations – with the consequence that he gives up his job as an educationalist and instead takes a subsidised-salary position as a janitor in a lower secondary school. For the first few months, he works 15 hours per week, and then gradually builds up to full time.

The municipality's staff are satisfied with this result. The psychologist consultations and subsidised salary cost close to DKK 115,000 (i.e. DKK 25,000 more than the sick leave benefit so far). On the other hand, Bill gains a new, permanent job and does not go back on sick leave, which gives major savings on welfare benefits, as well as extra annual tax revenue from the salary he earns.

THE ART OF SETTING LIMITS

Hindsight is a wonderful thing when an intervention proves to be a success, or a failure. Yet rather than rationalising after the event and coming up with explanations, the focus should be on using the knowledge achieved.

Although SROI analyses are an effective means of gathering information, to be able to perform a full analysis it is necessary to clarify a number of key issues: *What* do we wish to elucidate? To *what extent* do we wish to elucidate it? Any *why* do we wish to elucidate it, i.e. for what purpose?

A good SROI analysis is based on a clear and well-defined delineation that ensures focus on the particular intervention (or aspects of the intervention) that is to be elucidated. When this delineation is made, it is important to take account of the overall purpose of the analysis, and to focus on specific types of returns, and the available resources.

A thorough delineation could be based on the following four pieces of advice:

1. Clarify the purpose of the analysis

The best approach to performing an SROI analysis is to state explicitly why it is to be performed. The decision to perform an analysis of social return on investment is usually based on an overall objective, and it is important to

highlight this objective. This might be a wish to prioritise the array of interventions, to assess the return on investment of a pilot project in order to disseminate a given intervention, or to gain an overview of the use of resources and cost effectiveness in the longer term. A clear and explicit purpose of the analysis will give a clear objective and set the direction for the ongoing work.

2. Determine types of return

An analysis of social return on investment can elucidate professional, organisational and citizen-experienced returns. *Professional returns* are often related to the results of an intervention. For example, does the citizen gain a wider network, greater self-determination, or closer ties with the education system or the labour market? *Organisational returns* express whether the organisation can function more effectively via, for example, better organisation of the work, or better utilisation of resources. Finally, the *citizen-experienced returns* are a measure of whether the intervention has actually created value, viewed from the user's perspective.

For example, a municipal intervention to strengthen the preventive social work for vulnerable children can be multifaceted and based on a number of activities. This might be courses for employees in municipal childcare institutions, more flexible cooperation between institutions and administrative departments, or greater focus on training parents. There are also *returns for society*, which should be viewed in a broader perspective, since the interventions often have a positive outcome for more people than the actual citizens who are the recipients of the interventions. Such outcomes might be greater security in a residential area, or greater well-being in school classes as a consequence of better inclusion methods. As the municipalities increasingly enter into partnerships with NGOs and socioeconomic enterprises on handling welfare-related tasks, the returns may

also include various types of subsuppliers. In several cases we have seen how subsuppliers even end up employing personnel on special terms, including adults with functional impairments or social problems.

In overall terms, an analysis of social return on investment can be centred on one or several such activities, depending on which returns are to be elucidated. If the analysis focuses on the professional returns, for example, tools to measure these returns are required, which often in turn requires the involvement of professional experts. Assessment of the citizen-experienced returns, on the other hand, typically requires data to be collected from the target group, for example via interviews or questionnaire surveys.

3. Consider the time frame and recipients

The time frame of the analysis also determines the data collection framework, and thereby the results that it is possible to measure. If the long-term goal of an intervention is, for example, to reduce the proportion of children taken into care, it will require a relatively long time frame to assess the direct impact of the intervention on the number of children taken into care. On the other hand, the outcomes in the short and medium term, such as whether the parents achieve enhanced parental skills, commence education, or achieve employment, can also be assessed on the basis of a shorter time frame.

It is likewise a good idea to determine the recipient group of the analysis at an early stage. Various recipient groups are naturally interested in different perspectives of the results, and the content and dissemination of the analysis can be focused according to the recipients. Recipients might, for example, be decision makers or front-line employees.

4. Consider the resources available

Finally, it is necessary to consider the resources available, which means how much time and how much money it is possible to allocate, and thereby how extensive an analysis it is possible to perform. This includes a decision on whether the analysis is to be performed *internally* within the organisation, or whether external expertise is to be involved. Ownership of the process and further competence development will be one of the advantages of performing the analysis on an internal basis, just as the organisation's employees will often know a lot about the target group. External assistance, on the other hand, can contribute key competences and a fresh take on the existing work.

Remember explicit considerations

It is a good idea for any delineation considerations to be formulated explicitly. Why are specific elements prioritised, why are specific activities not elucidated, or why has a specific time frame been selected? Explicit delineations are often beneficial later in the process, and can also enhance the methodological transparency.

SROI IN PRACTICE

Meaningful employment for vulnerable groups

Bybi is a socio-economic enterprise that produces honey in different areas of Copenhagen. Today, there are more than 25 apiaries across the city, including in numerous courtyards and on the roofs of buildings such as Copenhagen City Hall and the Bella Center, and at companies like Lundbeck and Carls-

berg. Together, the apiaries produce more than five tonnes of honey per year.

Bybi is founded on the ambition to build up an industry that can both improve the environment and create opportunities for people who have lost contact with the labour market. The enterprise thus offers meaningful employment to a number of socially vulnerable groups, just as the many apiaries have a positive impact on the local ecosystem. Bybi's actual product is honey and products based on honey and beeswax, which are all produced in the enterprise's own beehives. Bybi handles the entire value chain: from setting up and managing the apiaries, to centrifuging, packing and then selling back to the companies. Bybi also trains bee-keepers and provides nature guides in the local area, as well as various information events. Homeless people, asylum seekers and residents in the local area and, not least, enterprises and local partners are all involved, and together they contribute to making honey production a success in both welfare-economic and social terms.

An SROI analysis of Bybi might begin with the following:

Delineation of the analysis

Purpose of the analysis: Bybi wishes to demonstrate the effects of its activities, since the enterprise is a break with the customary framework for social interventions and is also self-financing as a non-profit association. Bybi will therefore investigate social return on investment for the socially vulnerable peo

ple in the urban quarters, and for the residents in general.

Bybi's objectives: Bybi's objective is to create sustainable development, meaningful employment for vulnerable people, economic value in society, and security and well-being in vulnerable residential areas. Some quarters of Copenhagen are defined as vulnerable due to the physical and social challenges of many small homes and a lack of green urban life, as well as the residents' low levels of education and employment.

Returns: The analysis of Bybi focuses especially on the citizen-experienced returns from the intervention.

Recipients of the analysis: The results of the analysis are intended for Bybi's partners, including enterprises and the City of Copenhagen.

Time frame for the analysis: Some outcomes occur immediately, while others manifest themselves in a more long-term perspective. The analysis focuses on the short and medium term.

Available resources: There are sufficient resources to perform an analysis of relevant elements of the intervention.

Based on the aforementioned considerations, the analysis can be delineated to an elucidation of social return on investment created by the project, with focus on security and the conditions for the socially

vulnerable in various quarters of Copenhagen. On the other hand, the analysis does not include the outcome for the local enterprises that sell the honey, for consumers and for the urban quarters' schools and garden owners, as the significance of the project for these groups lies outside the focus of the relevant analysis. The delineation of the analysis is illustrated here:

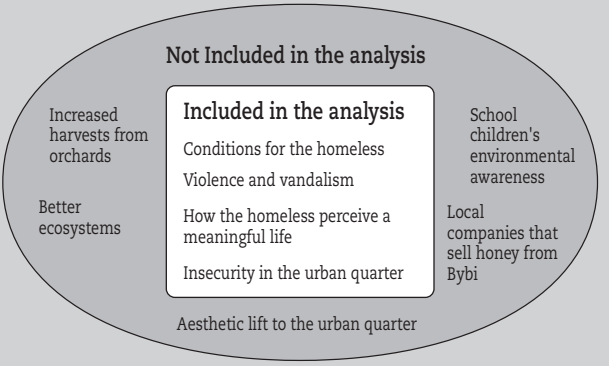

Figure 5: Illustrative delineation of the analysis of Bybi.

This simple example shows how the overall delineation can be performed, so as to create a framework for the ongoing analysis. The analysis focuses on security and the conditions of the socially vulnerable people in the urban quarter, based on the experienced outcomes among the citizens who took part in the project. By elucidating the intervention's social return on investment for these groups, the analysis can pinpoint the potential for similar interventions to be disseminated in other vulnerable residential areas. This also means, however, that other outcomes are not elucidated, which is a legitimate

choice to make. In Bybi's case, this for example concerns the outcome for the neighbouring schools, as well as the socioeconomic effects of training asylum seekers for an occupation from which they can later earn a living.

MOTIVATED CONCEPTIONS OF WHY AN INTERVENTION WORKS

Once the initial delineation has been made, a concrete programme theory for the analysis will typically be set up.

Programme theories can be found in many different variants and may be called *logical models*, *programme theories* or *change theories*. The common denominator for these concepts is that the theory sets out justified conceptions of why an intervention works, thereby giving an (often visual) overview of the intervention. The programme theory thus provides an overview of the relation between, on the one hand, the interventions to be made (or that have been made) and, on the other hand, the expected effects or outcomes.

The purpose of describing interventions and outcomes in this way is to map chains of causes and effects. This entails listing the concrete consequences of the individual elements of an intervention, which might be that working in an apiary means that vulnerable citizens and others who are marginalised in our society achieve meaningful everyday lives, as well as job skills.

By describing the intervention as a cause-and-effect chain, it becomes easier to monitor the intervention and assess whether there is continuity between each stage, or whether the intervention is in reality based on incorrect assumptions. A programme theory is the basis for the ongo-

ing analysis, and based on the programme theory it is possible to set up indicators in the following phases, and assess the scope and duration of the effects.

What is a programme theory?

Programme theory is a crucial aspect of an SROI analysis. It describes how the resources invested are implemented as short-term and long-term effects. When a programme theory is drawn up, this highlights the intervention's causal relationships by visualising and describing how the required changes arise or have arisen.

In concrete terms, the programme theory involves mapping the causal relationships between resources (financing, personnel and organisation), activities (concrete actions), results (the services produced) and outcomes (the outcomes of the intervention in the short, medium and longer terms).

The theory makes it possible to assess whether it is even realistic that the intervention will lead to the desired results, or whether an observed outcome of a completed intervention can actually be linked to the intervention that is assumed to have created it.

On setting up a programme theory, it can be an advantage to take inspiration from existing knowledge. This might be research articles or evaluation reports within the field in question, as well as the involvement of practicians that have undertaken similar interventions. Stakeholders can be an important source of knowledge and can contribute to qualifying the interrelations in the programme theory. Front-line employees may, for example, often point out which outcomes are typically achieved from a given activ-

ity, or define which resources are necessary to perform the intervention's activities in practice.

Setting up a programme theory is thus a central aspect of analysing social return on investment, irrespective of whether a new intervention is to be initiated, or an existing intervention is to be evaluated. Figure 6 presents the five basic elements of a programme theory. Here, the observed outcomes (for an existing intervention) or the required outcomes (for a non-initiated intervention) are formulated. In this respect, outcomes are changes experienced by various players over different time frames, for example that the target group develops competences, achieves employment, or experiences an improved quality of life, within one year after the commencement of the intervention.

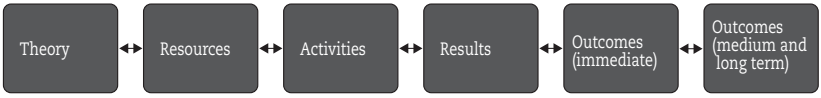

Figure 6: The five basic elements of a programme theory.

Once the outcomes have been formulated, the next step is to identify the results leading to the outcomes. This might be that a larger number of people in the target group use a municipal programme or receive information that can be assumed to influence them in the required direction.

The intervention's *activities* are the concrete actions that constitute the intervention, and which are expected to lead to the results. This might be information activities such as teaching, programmes for parents or training. Finally, the intervention's *resources* must be described, i.e. what is invested in order to implement and complete an intervention. This might be supplementary training of employees, or new IT tools. The programme theory thus includes information on what and how much is invested, and

thereby constitutes a full overview of the costs of the intervention.

CHECK LIST FOR THE PROGRAMME THEORY

- ✓ In a clear and simple way, the programme theory describes the fundamental idea behind the intervention.
- ✓ The programme theory describes how we expect the activities to lead to the required results.
- ✓ The intervention theory describes the outcomes we would like the intervention to achieve – or the outcomes we have already observed.
- ✓ The intervention theory is probable and credible.

SROI IN PRACTICE

Intervention theory for family centres in Greenland
As already described, in Greenland a lot of resources and money are spent on interventions for particularly vulnerable families, who often have a long history of public welfare benefits and failed interventions. The parents generally lack resources and typically do not have a stable network. Not surprisingly, the children suffer as a consequence of the lack of care and attention. They often attend school irregularly and have family and friends with the same problems, with consequential social welfare problems.

The following information is needed in order to set up an intervention theory for the family centres in Greenland:

- *Resources*: The given number of employees, time spent on the individual interventions and related documentation, as well as funds for courses and the development of work processes and IT systems.
- *Activities*: Screening of family members, development of action plans for the individual families, varying social welfare interventions for the families, and interdisciplinary cooperation and follow-up.
- *Results*: Concrete descriptions of the activities, which means an overview of the number of families that receive the respective interventions, as well as the number of action plans and screenings, etc.
- *Outcomes*: A distinction can be drawn between a number of different outcomes of the intervention. In the short term, the children achieve a better social life, and make more friends. They increasingly take part in leisure activities and societies, and also do better at school, with lower absence rates. Another outcome of the intervention is that the families express satisfaction with the programmes, while the employees are pleased with the improved use of their professional resources and better cooperation with the families. Long-term outcomes are manifested by how the children and adolescents make a break with the negative social legacy and are more likely to complete their schooling, achieve upper secondary education and gain employment.

The programme theory would appear as follows:

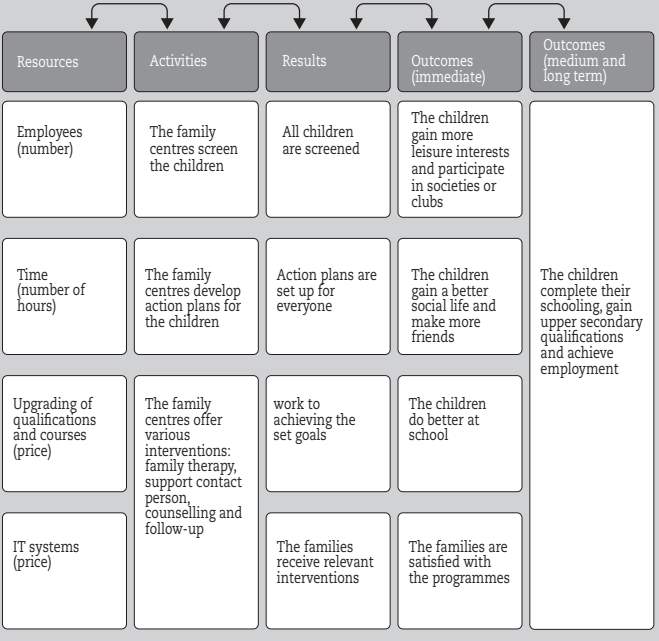

Figure 7: Programme theory for family centres in Greenland

As the Figure shows, the programme theory gives an overview of the content and also a visual overview of the relation between resources, activities, results and outcomes at the family centres. Subsequently, indicators will typically be set up to reflect the various outcomes, which we consider in the next chapter. This makes it possible to assess the extent to which the intervention has an impact, in both the short and long term.

CHECK LIST FOR DELINEATION AND PROGRAMME THEORY

- ✓ Is there a clear picture of the purpose of the analysis?
- ✓ Is there an overview of the intervention's resources, activities, results and outcomes?
- ✓ Is the relation between resources, activities, results and outcomes clearly described?
- ✓ Is the analysis based on knowledge from previous interventions?
- ✓ Does the analysis involve stakeholders, or otherwise qualify the interrelations in the programme theory that has been set up?
- ✓ Is the programme theory precise, and does it include all outcomes?

READ MORE

- ▸ Bybi's website: www.bybi.dk
- ▸ Den Boligsociale Helhedsplan for Sundholms- og Holmbladsgadekvartererne (The holistic social housing plan for the Sundholm and Holmblad quarters): www.sundholmskvarteret.dk
- ▸ Helweg-Larsen, Karin, Marie Kruse, Jan Sørensen and Henrik Brønnum-Hansen: "Voldens pris. Samfundsmæssige omkostninger ved vold mod kvinder" (The price of violence. Costs to society of violence against women). The Danish National Institute of Public Health (2010)
- ▸ Jacobsen, Rasmus Højbjerg: "Beskrivende analyse og cost-benefit-analyse af en ekstra indsats over for unge mødre" (Descriptive analysis and cost-benefit analysis of an extra intervention for young mothers). Centre for Economics and Business Research, CBS (2010)

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03

CAN RETURNS ACTUALLY BE MEASURED?

Whether our focus is on an intervention to counter loneliness among the elderly, on new cross-disciplinary cooperation to strengthen municipal case handling, or on a specially designed programme for vulnerable young people, to help them through the upper secondary education that they would otherwise not be able to achieve, it is important to known whether the intervention has the intended outcome. To do this, *indicators* must be set up.

As the name suggests, these *indicate* whether something has been achieved. A typical indicator might be the proportion of the target group who use the acquired tools, rates of absence from school or institution, grades, user satisfaction, or the proportion of the target group achieving an education or a job.

Depending on what is measured, indicators can tell us something about the resources, results or outcomes described in the programme theory. Some indicators are difficult to use, while others are easy to bring into play: For example, it is relatively easy to measure the effect of stronger job interventions by monitoring the number of the unemployed that manage to get jobs. Other factors such as qual-

ity of life and happiness may be more difficult to measure. In these cases, extra care needs to be taken, to avoid erroneous interpretations or unintended manipulation.

You really have to try something new

Mette Lindgaard relates: One of the municipalities I have had the pleasure of working with over several years is Rebild Municipality, named for the wonderful hills of Rold Skov.

At one point, the municipality had a dynamic and creative director who wanted to do something special for vulnerable families. In brief, he wanted to "combine budgets and people", as he put it, to ensure holistic interventions for the families that, unfortunately all too often, are passed back and forth between the various administrative departments. These were some of the ideas that later became *Project New Start*, which we described earlier in this book. As the director was also the head of the job centre, adult area, and children and adolescents with special needs, he had a unique opportunity to start up a cross-disciplinary project that included several professional areas and budgets.

This was exactly what we joined forces to do: we focused on several areas at the same time, on a cross-disciplinary basis. The cross-disciplinary approach was that if, for years, you had been offering various interventions to a vulnerable family without any significant effect, you really had to try something new. Using this cross-disciplinary approach, and working with the family on a holistic basis, it became clear to everyone that most of the existing interventions were really addressing the symptoms, rather than offering solutions to concrete problems.

For example, a lot of money was spent on remedial classes at school for the children, even though the root cause of the children's difficulties lay with the parents.

Besides strengthening the intervention, the holistic approach also made it possible to measure what actually worked for the parents, children and overall family. The case officers quite simply began to measure both the good and the poorer results, although this did require challenging the old ways, as well as certain cultural adjustments within the municipal organisation. This was successful, showing how well-structured, ongoing follow-up of the families' welfare is an indispensable tool when interventions are selected or discarded.

Today, Rebild Municipality is not alone in seeking to work with vulnerable families on a more holistic basis. Several other municipalities have followed suit.

QUANTITATIVE AND QUALITATIVE INDICATORS

Indicators can thus be used to measure various aspects of the intervention, showing whether the interrelations between resources, activities, results and outcomes described in the programme theory do actually exist. Interventions in the social welfare area are complex, and there may be a number of challenges related to translating welfare outcomes into measurable results. The solution includes combining quantitative and qualitative indicators. Quantitative indicators can be described with numerical precision, and might be sick leave, grades or function level progression. Qualitative indicators are based on assessments and per-

ceptions, thereby reflecting the individual citizen's benefit from a given intervention. These indicators are e.g. collected via structured interviews or focus groups with the target group for the intervention, or other relevant stakeholders.

Good indicators are valid and reliable measures of whether a given intervention has an effect, whether it is performed as planned, and whether it is of the necessary quality. It is therefore also necessary to take a critical approach to setting up the indicators. It is important to ask oneself, *what* can show whether the activities are achieved, *how* the results can be measured, and *which measurements* indicate that the expected results are achieved.

Examples of indicators

A number of municipalities wish to strengthen the preventive work focused on adolescents in disadvantaged housing areas by offering parents' meetings, as well as mentoring schemes and group activities for the youngsters.

The municipalities have set up a programme theory for their projects. This shows that the expected outcomes include greater motivation to attend school, more leisure activities for the youngsters, and strengthening their parents' competences. Whether the expected outcomes are achieved, and whether the projects are thereby successful, is assessed on the basis of outcome indicators that are both quantitative and qualitative in nature. School indicators are used to measure absence rates and the proportion of the adolescents who complete lower secondary school; a security indicator is used to measure such parameters as the number of reported assaults and acts of vandalism; and an indi-

cator is used to capture the benefits of the interventions experienced by both citizens and employees.[6]

DEVELOPMENT OF INDICATORS

Indicators are typically developed in a number of stages. First, it is specified what is to be measured. This might be an activity or an expected outcome. For example, to assess the development in quality of life, it must first be defined what quality of life actually is. Quality of life is a wide-ranging concept (typically called a *background concept*), which is open to interpretation: Is quality of life a question of physical health, mental health or a positive outlook– or a combination of these parameters? It is not possible to measure a given concept (as a *systematised concept)* unless it has been defined.

The next stage is to set up indicators reflecting the selected definition of the concept, thereby operationalising the concept. In this respect, operationalisation concerns making the concept measurable. For the concept of *quality of life*, this may be such dimensions as good humour, social relations and good health that together give a picture of a person's quality of life. Finally, the individual indicators are measured using *data* that may be quantitative or qualitative.

Figure 8 summarises the development of indicators.

6 Deloitte: "Styrket indsats for udsatte unge i problemfyldte boligområder" (Stronger intervention for vulnerable adolescents in problematic housing areas) (2011).

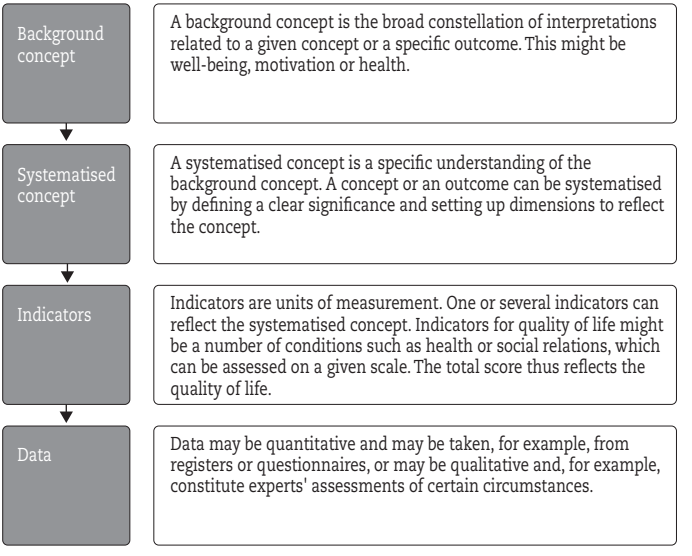

Figure 8: From background concepts to indicators.

SROI IN PRACTICE

The art of measuring well-being

In order to systematise the preparation of the public sector's specialised quality data, the cooperation project entitled "Faglige kvalitetsoplysninger om plejeboliger" (Specialised quality data concerning sheltered housing) was launched in 2010 by LGDK, the Danish Ministry of Finance, the Danish Ministry of Health and the Danish Ministry of Home and Social Affairs.[7] The project concerns five instruments

7 Deloitte for LGDK, the Danish Ministry of Finance, the Danish Ministry of Health and the Danish Ministry of Home and Social Affairs: "Faglige kvalitetsoplysninger om plejeboliger" (Specialised quality data concerning sheltered housing) (2010).

that can be used independently of each other: instruments for wound care, everyday exercise, reduction in preventive hospital admissions, nutritional status and knowledge of the elderly's well-being.

The last-mentioned instrument – knowledge of well-being – is subject to a complex objective, since well-being is not an unambiguous concept, but can be seen as the sum of a large number of different factors that together make it possible to examine the well-being of residents in sheltered housing.

As an element of systematising the concept of well-being, the project partners developed an instrument to measure well-being via nine different dimensions:

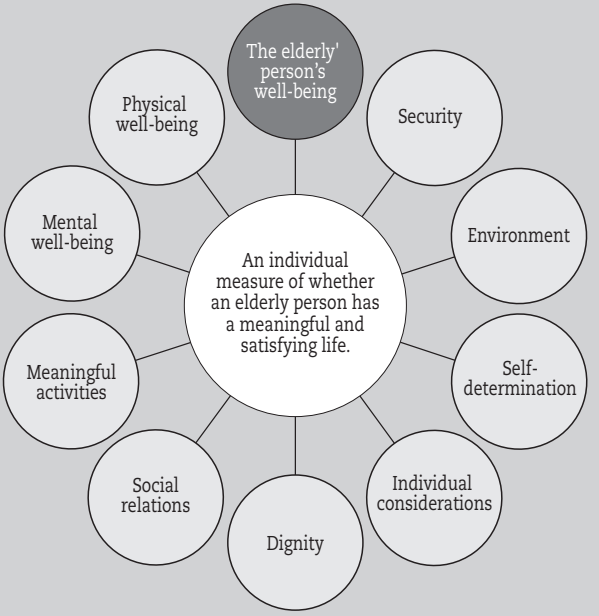

Figure 9: A systematised concept of well-being.

To enhance usability, each dimension is represented by one concrete question that the elderly – or the employees in cooperation with the elderly – can rate on a scale. For the dimension of *meaningful activities* it is essential, for example, that the residents can engage in activities that they find interesting and meaningful. At the heart of this dimension are personal development and interests, which are defined by the simple, straightforward question: "Can you do the things that matter to you?"

Equivalent questions are developed for each of the other eight dimensions, for which there are always four different response options: (1) To a high degree;

(2) To a certain degree; (3) To a lesser degree; or (4) Not at all.

The results of the measurement are compiled by calculating a total score for each dimension. The indicator thus reveals a number of relevant dimensions of well-being, but is also simple and easy to use in practice.

Nursing homes can use the indicator to perform a simple assessment of a relatively complex entity, and can also use the instrument for continuous follow-up. The indicator can also be used to identify dimensions that the residents systemically give a low rating. This gives the individual nursing homes and municipalities an instrument to assess and enhance professional quality within specific areas.

TIPS FOR SETTING UP INDICATORS

Whichever indicators are selected – and how few or many – the key aspect is that each of them is relevant, robust, valid and effective. We will return to what these criteria mean; in the first instance the point is that it is important that the indicators actually reflect the conditions that are to be measured.

Here are five tips for setting up indicators:

1. Involve stakeholders

- As we have stated several times, stakeholder involvement is an important aspect of an SROI analysis. This also applies to the selection of indicators, when both experts and practitioners will have relevant input. During the*Specialised quality data concerning sheltered housing* project, for example researchers, experts and naturally the

employees who were in dialogue with the elderly themselves, were consulted. Specialised expertise was thereby involved in the development of indicators, while also gaining a practical view of how the indicators can be used in everyday work. It can be worthwhile for employees to attend workshops in which they can give each other inspiration and together develop or quality assure the indicators. This applies especially to indicators that include expert assessments. It is furthermore possible to ensure the clarity of the measurements by presenting case examples to the employees and seeing whether they arrive at the same assessment of a case, just as indicative examples can be developed on this basis.

- Involving stakeholders can also create ownership of the indicators and acceptance of their subsequent use. It is naturally important that indicators based on professional instruments – such as screening instruments – make sense to the employees who are to use them. A Danish research project has shown that professional instruments in the social welfare area are used and are even welcomed if they are based on evidence and theories concerning social relations.[8] Just as importantly, the research project shows that the instruments are appreciated by employees who have attended courses in using them, while employees who have not been instructed in the instruments' theoretical background and practical use often consider the instruments to be cumbersome. The researchers' conclusion includes that indicators involving specialised personnel must be implemented and motivated on a detailed basis.

8 Matilde Høybye-Mortensen: *Velfærdsstatens dørvogtere. Procesregulering af visitationer på socialområdet. (The guardians of the welfare state. Process regulation of referrals in the social welfare area)*. Museum Tusculanum (2011).

2. Use indicators already developed and validated

- You often do not have to reinvent the wheel in order to set up indicators. Indicators have already been developed and tested in a large number of areas. On setting up indicators, one should therefore always start by examining which indicators already exist. An example of a well-developed and validated indicator is the internationally validated SDQ (*strengths and difficulties questionnaire*), developed in the UK to assess child development.[9]
- It is naturally not always possible to use indicators that have already been developed, but time can be saved if this is an option, together with greater certainty that the right things are measured. It is also easier to compare the results with other interventions.

3. Measuring quality at different levels

The quality of interventions in the social welfare area can seldom be determined using just one indicator. For example, user satisfaction does not necessarily assess the overall quality of an intervention. It is also necessary to be aware of which returns are to be measured, and which types of indicators should be set up as a consequence. Examples of indicators are:

- *Indicators that measure professional quality*. These express whether the intervention lives up to the professional criteria for what is to be delivered. Is the citizen offered the right programme? Does the expected development actually take place with regard to health, physical function, network or similar?

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9 The Danish National Board of Social Services: www.socialstyrelsen.dk/om-os/instrumenter-til-evalueringer/praesentation-af-instrumenterne. Robert Goodman: "The Strengths and Difficulties Questionnaire: A Research Note". *Journal of Child Psychology and Psychiatry* 38, no. 5, 581-586 (1997).

- *Indicators to measure the organisational quality* express whether the institution is able to deliver the best possible quality to the users. This may be indicators that reflect how the work is planned, management, use of resources or organisational effectiveness.
- *Indicators that measure the citizen-experienced quality* reflect whether, from the user's viewpoint, the intervention has been relevant and effective – for example whether the citizen is satisfied with the quality of care, whether parents are satisfied with the childcare institution, or whether vulnerable citizens feel that they are involved in the planning of the assistance they receive.
- *Indicators that measure broader returns for society* reflect outcomes of the intervention that extend beyond the citizens who receive the intervention. Such indicators can, for example, measure the expected returns on an intervention for a local area, for NGOs or for enterprises. They can also measure whether an intervention for disaffected adolescents, for example, improves the sense of security in a neighbourhood.

4. Combine quantitative and qualitative indicators

As stated, it is often necessary to combine quantitative and qualitative indicators in order to illustrate several aspects of an intervention. As we have already stated, the qualitative indicators may, for example, be based on a case officer's description of an expert assessment of a child, notes from observation studies, case notes from a supported housing employee, documentation of focus group interviews, etc. Quantitative indicators, on the other hand, are based on figures and scales. This might be indicators that reflect the development in a given target group by displaying the function level on a scale; health status shown by the number of hospital admissions; or labour market participation illustrated by the proportion of the target group who

achieve employment. As a rule, the combination of qualitative and quantitative indicators can give a more rounded view of the outcome of a given intervention than is possible with isolated indicators.

5. Prioritise indicators and lay a strategy for data collection

It can be both time- and resource-consuming to implement a large number of indicators, since indicators usually require the processing of large amounts of data. It is therefore a good idea to rank the indicators, so that priority can be given to the most important. It is also useful to draw up a strategy for data collection, with consideration of the following aspects:

- *Who will collect the data?* Will the data be collected by the organisation's employees, or is this so extensive a task that external help must be hired?
- *When will the data be collected?* Must data only be collected after an intervention has been implemented, or is it necessary to collect data before, during and after, in order to monitor the development over time?
- *How will the data be collected?* Will data be collected via questionnaires, interviews or another method? Consider the opportunity to use data that is already available, in order to save resources and time.

Good indicators

RACER is a simple method for quality assurance of indicators. The method is used especially in the EU system, where it is applied in a large number of are-

as.[10] According to the RACER method, a good indicator fulfils the following criteria:

- *Relevant*: Does the indicator measure the outcomes that it is relevant to measure, rather than the outcomes that are merely easy to measure?
- *Accepted:* Is the indicator generally accepted by employees or others who are to work with it?
- *Credible*: Is the indicator credible, unambiguous and easy to interpret?
- *Easy*: Is the indicator easy to measure, i.e. is it easy to gather data?
- *Robust*: Can the indicator be manipulated or misused?

SROI IN PRACTICE

Holistic intervention for vulnerable families

Vulnerable families rarely succeed in breaking the negative spiral. Often, children from these homes also end up as recipients of social welfare benefits, and the interventions that are applied seldom create any real value.

In an attempt to break this negative pattern, the Danish Agency for Labour Market and Recruitment and the Danish Ministry of Children, Gender Equality, Integration and Social Affairs have designated ten pilot municipalities that are to take a more holistic approach to vulnerable families via an overall assessment of their problems and opportunities. If the

10 European Commission: "Impact Assessment Guidelines" (2009).

project proves to be successful, it will be possible to extend the intervention to additional municipalities.

By monitoring the intervention closely, social return on investment can be documented and the intervention's potential benefits can be charted. This makes it possible to document what works, and whether the intervention proves to be a good investment in the longer term.

Outcome of the intervention

The intervention is centred on children and parents within families. With regard to the parents, the aim is to strengthen their labour market participation or help them to start on a course of training or education. At the same time, the parents must be supported, so that they can set out a clear framework for the children and help them to achieve a stable everyday routine, with less absence from childcare institutions or schools.

An expected outcome of the intervention is that the children thrive and develop positively, just as their social lives will be strengthened. On the basis of the programme theory, a number of indicators reflecting the outcomes are set up, which thereby make it possible to monitor whether the required change is achieved.

Outcome indicators

A combination of indicators is used to collect knowledge concerning the intervention. For example, the parents' participation in the labour market and the education system can be tracked at individual level in the Danish Central Tax Administration's eInd-

komst register and in DREAM, the Danish Ministry of Employment's data register for transfer income recipients. Extracts from eSundhed, a digital data platform operated by the Danish State Serum Institute, show the development in somatic and psychiatric admissions, as well as medical consultations. Finally, the municipal finance systems can provide an overview of the costs of the intervention.

Indicators are also used to show the personal development of parents and children. Some of the indicators are context-specific and developed for this purpose, while others use validated scales and professionally supported methods. The latter applies, for example, to the previously mentioned SDQ tool that is used to assess children's development, as well as indicators developed on the basis of a standardised adult investigation method to assess the adults' function level.

The Figure shows indicators of the outcomes of the intervention for adult family members.

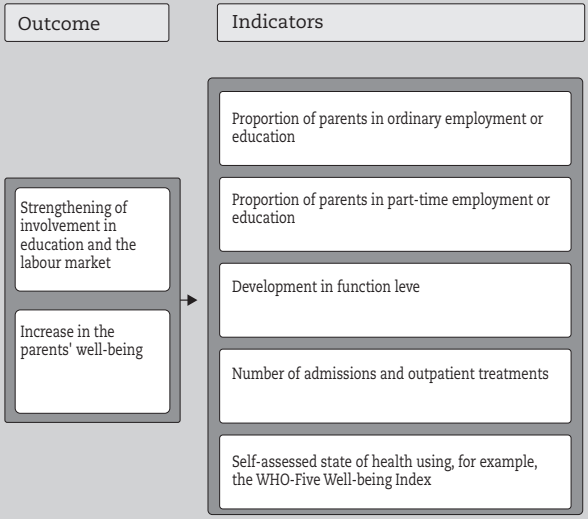

Figure 10: Indicators for a holistic intervention for vulnerable families.

The indicators ensure a systematic assessment of the intervention, just as there are good opportunities to evaluate the project over time. The intervention is thereby organised so that the return can be read off for each family, for the individual pilot municipality, and across the pilot municipalities.

CHECK LIST FOR INDICATORS

- ✓ Do the indicators describe exactly what is required to be measured?
- ✓ Can the indicators be justified, and are they meaningful measures of the outcomes to be measured?
- ✓ Is it clear what the measurement is to be used for?
- ✓ Are indicators used that reflect both the citizen-experienced, organisational and professional quality?
- ✓ Is it possible to measure all relevant aspects of the intervention?
- ✓ Have indicators already been developed for what is required to be measured?
- ✓ Which data must be collected, and how and when must this be done?

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04

DATA, DATA, DATA

Frank is doing well. Aged 44, he has a permanent job in a factory and two adolescent sons whom he sees every other weekend. Frank himself thinks that he has a good and rich life. Yet it has not always been this way.

When Frank was 32, he started a relationship with Tina. They moved in together, as you do when you are in love, first in Tina's home, and then in a shared house. They also got engaged and then married, and soon after welcomed twin boys, whom they named Rasmus and Mads.

Frank was happy with Tina, and glad to be a father. Yet something inside him was not quite right. Even though he did not have too much to do at work, he still felt tired and run down. He did not have much to do at home either, as Tina took care of most of it, yet he still found it hard to cope with everyday life and the many things that need to be done in a family with two young children.

Frank went to the doctor, who in the first instance diagnosed stress. Frank did not agree with this assessment, however, for why would he be suffering from stress when he was no busier than so many other fathers? Frank went to see another doctor who, after a long investigation, reached the conclusion that Frank had ADHD. Frank was pleased to get this diagnosis, as it explained many of the

concentration and attention deficiency problems he had struggled with throughout his life. But he was also sad that the diagnosis had not been made earlier, when he might have been able to make some adjustments before he ended up with a house, car, wife and children.

Frank learned how to live with his diagnosis, but his marriage to Tina began to fail. The twins demanded attention and care, and even though Tina was aware that she had to shoulder most of the burden, it was frustrating for her to have to take care of the entire household.

After seven years' marriage, Tina asked for a divorce. Frank could not understand this. He was frustrated and unhappy, but also forced to accept that the marriage was over. He moved out of the family home to a small rented flat.

After the divorce, Frank's life began to go downhill. He lost his job and got into financial difficulties. He also started to spend too much time in the local pub, and one day Tina said that the boys had told her that they did not enjoy being at his place. She therefore intended to go to the State Administration to obtain a new contact agreement, so that in future Frank would only have supervised contact with his children.

Although Frank's story could have ended very badly, it did not. The municipality decided to launch a full-scale intervention for Frank, so that he could return to the labour market and continue to see his children as before.

The municipality therefore initiated numerous activities: Frank got a practical training position in a plastics factory. He was also assigned a company mentor as a support contact, and he got help to tackle his alcohol consumption. In addition, Tina was invited to join a family programme for the families of people with ADHD. She accepted this offer, as did Frank's brother, who was also a large part of his life. Slowly, but surely, Frank got his life back. He got a permanent job again, sorted out his finances, and later on also

managed to leave his alcohol habit behind him. Tina decided that he could have contact with his children again, so that they would not lose contact with their father. As a consequence of her decision, Frank felt like a whole, decent human being again. Despite one relapse, he was able to look forward and get back on track again.

Many years later, Frank watches a TV programme about how hard it is to live with ADHD, as a child and also as an adult. The programme makes him think about his own déroute and all the people that helped him to get back on track. Why did things go wrong? Why did he end up in such a state? What exactly helped him to stop things spiralling out of control?

NO ANALYSIS WITHOUT DATA

When an SROI analysis is performed, it is vital to obtain data that can measure the indicators set up, and possibly also document further aspects of social return that are not captured by the indicators. The data collection also contributes to substantiating the programme theory, since typically information will be collected for all elements of the programme theory, which means resources, activities, results and outcomes.

Like indicators, data can also be both qualitative and quantitative. Quantitative data concerns things that can be measured or counted. Quantitative data thus takes a standardised form and is very suitable for large-scale analyses. Examples of quantitative data might be the number of days that women aged over 75 have been admitted to hospital for dehydration, or the specialised assessment of a citizen's physical function level, on a scale from 1 to 5.

Quantitative data is thus "definitive" by nature and therefore appears to be more imperative and irrefutable, al-

though it is naturally not always the "whole truth". Qualitative data, on the other hand, has an open structure that makes it possible to gain new perspectives in a certain area, and to explore new knowledge. This might be a citizen's description of the meeting with the municipality, or a description of a child's family circumstances in an expert child assessment.

The next two sections will consider the two types of data in practice.

QUALITATIVE DATA

In brief, data collection is relevant to support the indicators set up and thereby illustrate whether the relations set out in the programme theory can be confirmed or refuted. Here, a qualitative method can be used for in-depth investigation and to capture the nuances of the intervention. This might be to investigate why and how an intervention is effective. The qualitative methods are thus especially useful to pinpoint outcomes that are not included in the programme theory, or that cannot be measured by indicators.

An example of how qualitative interviews can be used to gather knowledge of social return are the positive outcomes of the Bybi project. The people involved experience the motivation and satisfaction of being able to do a job, residential areas are improved aesthetically, and people are proud of their local product. These are all outcomes that would have been hard to measure without taking a qualitative approach.

Below, we present a number of examples of how qualitative data can be collected.

Interviews

An interview is the most common way of obtaining qualitative knowledge. This can take place as individual interviews, as well as focus group interviews. Interviews provide good insight into how a stakeholder experiences a given topic. For example, the respondent can be asked what he or she got out of participating in a particular activity, or his or her subsequent benefit. Vignette surveys can also be used, in which a concrete scenario is described to the respondent, who is then asked to consider one or several aspects of this scenario. The advantage of using such surveys is that the respondent has to consider a concrete situation in which questions and answers will often be more focused and less abstract. Based on interviews, often more general questions can be set up, which can be investigated for a larger element of the target group, e.g. by using questionnaires.

Before an interview is held, depending on its purpose, a question guide should always be prepared that, to a greater or lesser degree, structures the interview by topic, and puts the questions in a specific order. Open questions can often be used to capture unforeseen topics, while closed questions ensure that a number of pre-selected topics are covered. It is important to either record the interview or take notes, so as to have material that can subsequently be analysed.

Observation

While interviews and questionnaire surveys are good ways of obtaining knowledge about various people's *attitudes*, they are not always a good way of mapping people's *behaviour*. Instead, it is possible to *observe* behaviour directly in the context in which the intervention takes place. Observations can be made via video recordings, and by being physically present. The advantage of observations is that they

can be made in the environment in which the intervention takes place, and it is not necessary to *ask* about the behaviour, but watch it unfold (although with the reservation that the presence of an observer as such can influence the behaviour of the person who is observed).

Observations can be used, for example, to investigate how case officers handle citizens, or how an intervention to increase children's welfare is implemented in practice. As for all methods, it is important to work with observations systematically, and to be well-prepared for the focus of the observation. It can be an advantage to draw up an observation form prior to the actual observation, in the same way as an interview guide is prepared prior to an interview.

Personas

A third means to obtain knowledge concerning an intervention is to set up personas. A persona is a comprehensive portrait of a typical citizen that reflects the general characteristics of the target group – for example "Frank", whom we described at the beginning of this chapter. Personas are thus not one single interviewee, but a general representation of several of them – a type of archetype of the people in the target group. In other words, the personas set up reflect stylised citizens in the target group in relation to, for example, relevant issues, interventions received, the social context, or specific relations.

In some cases it may be easier to relate to a concrete persona, rather than complex statistical analyses or segment analyses. Personas can thus bring the target group closer and more tangible to the recipient. By examining how a specific intervention will be planned for a number of different personas, it is possible to map the outcomes of a successful intervention, and how it can be performed in practice. Personas should not be viewed as an exhaustive representation of all persons in the target group, and in all

interventions, but are rather a picture of who the target group might be.

Most significant change

Most significant change (MSC) is based on what is called a participatory method. This means that stakeholders are involved systematically in monitoring or evaluating a given intervention. In practice, MSC is used by selecting groups or persons in the target group that can pinpoint central changes in conjunction with an intervention. The various outcomes are designated through dialogue, discussion and storytelling. Then the group together discuss which outcomes can be seen as the most significant, and why and how they arise. MSC is particularly useful in conjunction with highly complex interventions where it is necessary to nuance and further examine the outcomes via dialogue with the stakeholders.[11]

QUANTITATIVE DATA

In contrast to the qualitative data that can help to add nuance to an outcome and achieve a deeper understanding of an intervention, quantitative data contributes, in particular, to compiling the extent of the activities, resource consumption and outcomes. This might, for example, be the number of participants in a given activity, the number of activities held, the degree of user satisfaction, or the number of unemployed who manage to get jobs, etc. As a rule, considering an intervention from a quantitative viewpoint can present many advantages: It becomes easier to monitor the target group's development, assess an intervention

11 Rick Davies: *The Most Significant Change Technique – A Guide to Its Use.* Davies and Dart (2005).

across geographical areas, or investigate whether the results for the recipients of the intervention are also representative of other target groups.

Below we propose three sources of quantitative data.

Register data

Register data is a highly relevant data source that gives access to relevant information concerning many different target groups. This might be labour-market related registers, health registers or statistics for pupils' progress in the education system. If a municipality wishes to study the outcome of proactive psychological counselling for students at educational institutions in order to reduce drop-out rates, register data for the students' grades and absence rates can be used to assess whether the target group shows any improvement. In addition, the students' GP appointments and psychiatric admissions can be tracked in the Danish Health and Medicines Authority's registers. In this way, register data at individual level can make it possible to monitor a target group over time for a large number of parameters, thereby measuring outcomes that do not occur until long after the intervention in question.

Other relevant register data include data from administrative and specialised systems, as well as financial systems. These systems can play an important data collection role and make it possible to obtain key information concerning the resources used, time prioritisation, knowledge of work processes, or the services offered.

Questionnaire surveys

Questionnaire surveys are a frequently used source of quantitative data. They can, for example, reveal users' or employees' levels of satisfaction with a specific intervention. Questionnaire surveys can also provide concrete knowledge of elements of the programme theory – such as

how many have used an acquired instrument, or have changed their patterns of action in the required direction. In addition, questionnaires can be used as measurement instruments that make it possible to assess even the more complex concepts such as quality of life and health. This applies, for example, to the WHO-Five Well-being Index (WHO-5), which is a simple, but reliable, measure of general well-being. Five statements are assessed by the user in order to achieve an overall score. In the same way, the SDQ tool previously described can be used to monitor children's well-being. Both WHO-5 and SDQ make it possible to monitor the individual's development, comparing results across interventions. A large number of other scales by which to measure the well-being and development of specific target groups may be relevant in different contexts.[12]

Data collection via specialised assessments

Specialised assessments of, for example. health-related, personal and social competences on the basis of shared concepts and scales can be used to gauge concepts that cannot otherwise be easily measured.

Specialised assessments of this type will naturally always be estimates, but this does not mean that the assessment is random, since a case officer does not randomly use an investigation method, nor does a teacher give grades on a random basis.

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12 They include the International Classification of Functioning (ICF) development by WHO, Integrated Treatment for Dual Disorders developed by Professor Kim T. Mueser from Boston University, Model of Human Occupation (MOHO) developed by Gary Kielhofner from the University of Illinois, Canadian Occupational Performance Measure (COPM) developed under the auspices of Health Canada, Parent Management Training (PMTO) developed under the auspices of Oregon Social Learning Center, Fælles Sprog (Common Language) and Børnemiljøtermometeret (Children's Environmental Thermometer) developed by LGDK, the coming well-being measurements in Danish lower secondary schools, and several other measurement scales.

On the contrary, the assessment is based on specialised knowledge, and other professionals would probably make a similar assessment if they were to use the same specialised concepts. By using shared concepts, specialised assessments can be included in the systematic collection of knowledge, whereby outcomes are translated into comparable entities, making it possible to monitor a development over time.

SROI IN PRACTICE

Making the outcomes visible

As described, the Greenlandic family centres are strengthening their interventions for socially vulnerable families. A key aspect of the project is to quantify the outcomes of the various interventions, and the family centres therefore apply the Integrated Children's System (ICS) method, which was originally developed in the UK, commissioned by the Department of Education and Skills. ICS is connected to the WHO function-level scale within five categories.

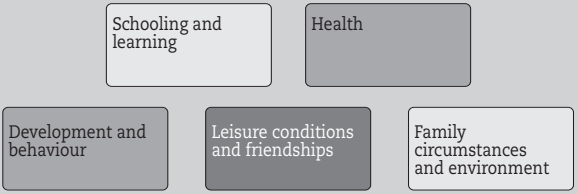

Figure 11: Topics in the Integrated Children's System.

By monitoring the development in function level for these parameters for the individual children, the centres gather knowledge of the target group on an ongoing basis. This makes it possible to compare various groups of children and adolescents, and to

monitor the development over time. The investigation method also makes it possible to collect data on a simple and relevant basis, as the data collection takes place as a daily routine – and not as part of a particular project.

In this way, managers and employees have an opportunity to see the results of their work, just as they can participate actively in showing what they have achieved. The intervention for the children is also strengthened considerably. For each child, special focus areas for the ongoing work are determined. This might, for example, be special focus on absence from school or on whether parents take care of the children on an everyday basis – attention points that, in turn, create greater awareness among the family centres' employees concerning the key challenges.

In concrete terms, an electronic data registration form has been developed. As shown in Figure 12, this table of results will help to gather knowledge about the children who receive support, in a simple and relevant way. The table also presents the relation between the intervention (its type and extent) and the status of the development within the individual areas.

The knowledge presented in these tables is vital for the family centres in several ways; first of all because the regular registration of the child's situation makes it possible to monitor the child's development. On comparing the development with the interventions made, it can be assessed whether the intervention was appropriate, or should be adjusted.

There are also benefits to be gained across the registered data, however, since the registration also pro-

The child's development					
Here, the child's development is registered in relation to key themes					
Theme/ follow-up (tick)	0 = No problems	1 = Light problems	2 = Moderate problems	3 = Serious problems	4 = Total problems
School conditions and learning					
Leisure conditions and friendships					
Health					
Development and behaviour					
Family circumstances and environment					

Figure 12: Table of results for interventions for socially vulnerable children.

vides a more general overview of the relation between interventions and the target group's development. The costs of the intervention can be calculated on the basis of the time spent in the family centres. By comparing the costs of the respective interventions with the results, it is possible to assess the cost effectiveness over time. This knowledge can be used to develop and prioritise the preventive interventions in the family centre area, thereby maximising the return on investment.

Use existing knowledge

It is by no means always necessary to collect the data oneself. On the contrary, it can be an advantage to base the SROI analysis on knowledge gathered in previous surveys, or via research. Using the best knowledge currently available is also a way of taking an evidence-based approach. Whichever target group one works with, or whichever intervention one wishes to evaluate, time and resources can be saved by checking whether studies have already been made of, for example, the citizen-experienced outcomes, the development in the health or well-being of a target group that receives the specific intervention, or in other areas. This knowledge can also be used to determine the future value of an intervention, since it can provide data that would not otherwise be available. It does not take many resources to search via Google or look up the "Viden der virker" (Knowledge that works) memo series from the Danish National Board of Social Services[13], or studies by the Danish National Centre for Social Research (SFI).[14]

INVOLVE STAKEHOLDERS IN DATA COLLECTION

It can be necessary to involve stakeholders in conjunction with several of the data collection methods we have presented. This applies, for example, to interviews, focus group interviews and questionnaire surveys. In this respect an element of reflection is important.

First of all, due to the nature of the case most resources should be devoted to the stakeholders that are vital to performing a comprehensive analysis. If no priorities are set,

13 The Danish National Board of Social Services: "Viden der virker", www.socialstyrelsen.dk/viden-der-virker.

14 SFI: www.sfi.dk/effektmåling-_teori_og_metode.

there is a risk of spending too much time on less important stakeholders. By listing all potential stakeholders, we can gain an overview of the key stakeholders, and the resources available, and prioritise the stakeholders on this basis.

Secondly, it can be a good idea to group the stakeholders. An intervention in a residential area might, for example, have very different target groups, resulting in various returns. Residents might be categorised as "resourceful" or "vulnerable". If there are significant differences, the groups should be split up and viewed as different stakeholders. When stakeholders are selected, one should also be aware of the stakeholders that might experience negative changes as a consequence of the intervention. The negative changes are part of the overall picture of the return on investment and should therefore also be included in the analysis.

Finally, it can be useful to designate representatives of the relevant stakeholder groups, in order to achieve optimum utilisation of the resources. There are naturally advantages to involving as many as possible in the stakeholder group, but in view of the time and resources available it may be necessary simply to contact the selection of stakeholders that best represents the target group.

On involving stakeholders, it can be an advantage to list them in a specific order. This will ensure an overview and may also be useful when presenting methodological options chosen and discarded. Involving stakeholders may seem to be a simple task, but planning and an overview can save time for both oneself and the stakeholders.

Stakeholders can be involved by a number of different methods: focus group interviews, questionnaire surveys, workshops, telephone calls with stakeholder representatives, or use of social media. How stakeholders are involved depends on the amount of time available, and the stakeholder group.

Let us consider how stakeholders were involved in the GRIT (Gerry Rogan Initiative Trust) programme, which is an Irish programme to help socially vulnerable adolescents.

The GRIT programme is supported by the International Fund for Ireland, an Irish fund which works to help adolescents who face serious problems, and to reduce prejudice and sectarianism among young people in an environment that is subject to religious and political tensions. The youngsters who participate typically have criminal records, may be at risk of suicide or violent, alcohol or substance abusers, or unemployed, and are referred to the project by case officers or youth institutions.

In brief, the GRIT intervention is an intensive workshop that is followed up with interviews between professionals and the young people, thereby helping them to tackle their problems. Since the ongoing evaluation of the intervention includes numerous welfare outcomes that are related to the intervention, the young people and front-line employees are consulted when these outcomes are evaluated.

A plan for the evaluation activities is outlined according to the table in Figure 13. This shows clearly that all interviews and questionnaire surveys have a clear purpose. The plan also includes an overview of numbers of participants in interviews, scheduling and outcomes. It also includes an estimate of the number of hours allocated to each stakeholder group.

Stakeholder group	Outcomes that are addressed	Purpose of the involvement	Number of participants	Method of involvement	Time/ format
Young participants	Motivation Tempera-ment Education and work Quality of life Substance abuse Health	Gather knowledge of outcomes and obtain knowledge via surveys	3	Individual interviews with se-lected par-ticipants and ques-tionnaire surveys of 23 previous participants	Three one-hour interviews
GRIT em-ployees		Gather knowledge of outcomes	3	Focus group interviews	One 1½-hour inter-view
Contact per-sons and case officers	Experience of long-term outcomes	Gather knowledge of the pro-gramme's outcome in the longer term	5	Telephone and e-mail correspond-ence	Short con-versations and mails

Figure 13: Plan for stakeholder involvement in the GRIT programme.

When stakeholders are informed in advance of the nature of the activities, they have an opportunity to prepare for them. This ensures an optimum basis to give as much information as possible and to hold effective interviews.

ADVANTAGES OF INVOLVING STAKEHOLDERS

Besides serving as important sources of knowledge for some analyses, involving stakeholders can present further advantages. Active involvement and opportunities to share ideas and constructive criticism can turn the participants into motivated team members, increasing their commitment to and ownership of the intervention. If the front-line employees are involved during the process, for example,

they will not only be important resources in the collection of knowledge, but will also themselves have the opportunity to reflect on their work, which in itself can strengthen the intervention.

CHECK LIST FOR COLLECTION OF DATA

- ✓ Have all relevant data collection strategies been considered?
- ✓ Are data types and collection methods used that best illustrate the intervention in question?
- ✓ Is it possible to elucidate the resources, activities, results and outcomes described in the programme theory
- ✓ Are there advantages to combining qualitative and quantitative data?
- ✓ How can stakeholders be involved in the analysis, to gather knowledge of the return on investment?
- ✓ Is there an overview of relevant stakeholder groups, and are the resources prioritised in terms of involving the most important?
- ✓ Has a plan been made for the involvement of stakeholders?
- ✓ Do the stakeholders not only include specialised experts and front-line personnel, but also people who can take a fresh look at the intervention?

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05

OUTCOME EVALUATION

Imagine that we are stepping into a large hospital. Here, doctors can operate on knees, drain wounds, remove tumours, scan internal organs and prescribe medicine that has been tried, tested and refined, in a long, controlled development process.

Do we have confidence in the doctors' treatment? Yes, as a rule we do. We know that it is based on sound professional expertise and comprehensive evidence. Therefore most of us feel that we are in good hands when we consult a doctor or are admitted to hospital. This confidence is important, and we cannot imagine compromising on our own safety, since it is our lives that can be at stake when illness strikes.

Why does this evidence-based approach apply to hospitals, but not in the social welfare area? There may be complex issues to face in the social welfare system, but it is not necessarily more difficult to measure a social outcome than to measure a medical effect. A life can need adjusting in the same way as a knee can require surgery, or hearing has to be checked.

While the evidence approach is used extensively in the healthcare area, it is sorely missed as a systematic tool in the social welfare area. In many cases, even the use of on-

going measurements and gathering structured knowledge of the results would be a small revolution. This is not to say that the municipalities do not work intensively on these interventions, or that new ideas are not considered. It is quite simply a question of not collecting the results on a sufficiently systematic basis. The results are not analysed, shared and used elsewhere. This is why we to a great extent still do not know what works, but have to "find our way in the dark".

Outcome evaluation is at the heart of an SROI analysis and concerns assessing whether a development for the target group can be registered, and whether the development is a result of the intervention, or is influenced by other factors. For this purpose we can take an experimental approach, use a process-based method, or a combination of before and after measurements, just as we can, if required, calculate an overall ratio for the investment. We will return to this below.

Outcome and return on investment on an interdisciplinary basis

Mette Lindgaard relates: At Deloitte, we work closely with many Danish municipalities, just as we also work with the municipalities on state-financed projects. As both Danish and global leader of the welfare area at Deloitte, I have contributed to running many of these projects, which have included everything from prevention and inclusion in the children area to interventions for the mentally ill who also face substance abuse problems.

Often, some of the very most difficult aspects have been to improve the interventions across work processes. This applies whether we are working across administrative departments, or across systems, and

it applies especially to working across sectors. Even in an individual municipality, it can be difficult to orchestrate a cross-disciplinary intervention that, for example, builds bridges between areas for children and adults, or for vulnerable and normally-functioning individuals. The challenges become even greater when several municipalities are to work together – or when both region and municipality are to find common ground and together strengthen interventions for socially vulnerable families, for example.

We could ask ourselves why it is so difficult to work on a cross-disciplinary basis, since there is definitely no lack of willingness or genuine interest. Part of the answer is the simple question of cost allocation – putting a price on an intervention. Even though Denmark is a small country, there is still great variation in how costs are recognised in the various administrative departments, just as we rarely set itemised prices for services in the social welfare area. It can naturally be difficult to state what it costs, for example, to give a drug addict a meaningful life.

In addition, in Denmark we have a tradition for framework management of institutions, which in terms of resources makes good sense, since this management form is relatively easy to implement. The drawback is that it is almost impossible to find out what we actually give to whom, why and with which results. For most of the social interventions we are therefore still not able to perform basic measurements of such parameters as extent, duration and outcome. Like so many other major life changes, a meaningful life for an ex-drug addict is difficult to write into a formula.

Yet once in a while – against all odds – such measurements are possible, typically because the munic-

ipalities are extremely keen to implement concepts and systems that can contribute to assessing outcomes. Experience shows that if interventions are to be strengthened, there must be a *willingness* to build bridges between the areas, and a *willingness* to measure outcomes across professional divides – otherwise the goals will not be achieved.

DARE IT AND DO IT

We know that the social welfare area is a complex field and that it can naturally be difficult to assess outcomes with any great certainty. Yet there is no reason to be scared off by the complexity. Evaluating outcomes is the art of the possible. We can never capture all aspects of an intervention and its outcomes, but we can make our best effort.

In the evaluation literature, a distinction is made between three different methods of assessing outcomes: an experimental approach, the use of before and after measurements, and a process-based approach. The experimental approach takes inspiration from the world of medicine, where lots are drawn to divide a target group into two groups (randomisation). One group is subject to the intervention (the intervention group), while the other group serves as control group. If a difference between the two groups is subsequently observed, with a reasonable degree of certainty this difference can be ascribed to the intervention.

In the case of before and after measurements, a target group is assessed before and after the group has been subject to an intervention. Subject to certain reservations, a development can be seen as the result of the intervention.

Under the process-based approach, the same logic is applied as for a before and after measurement, but in this case using a more qualitative approach. The process-based approach seeks to demonstrate the relation between intervention and outcome by examining why and how the intervention works. This is typically by, in the first instance, setting up a programme theory and then testing it.

The three approaches are considered in further detail in the following three sections. It is important to state that all three approaches may be useful for an analysis of social return on investment, and often the optimum approach is to combine the interventions. Together the evaluation strategies can contribute to mapping the significance of external factors or random variations. This might be increasing unemployment, which has a negative impact on job creation schemes, or a large number of other structural conditions that influence the outcomes, irrespective of the intervention.

THE EXPERIMENTAL APPROACH

The experimental approach is not particularly prevalent in the social welfare area in Denmark. In recent years, however, it has become more common and there is no doubt that there is still considerable potential to use experiments. The experimental approach arises from a *randomised experiment*, in which the results of an intervention are measured in two randomly selected groups. They are the *intervention group*, which received the intervention, and the *control group*, which was not subject to the given intervention.

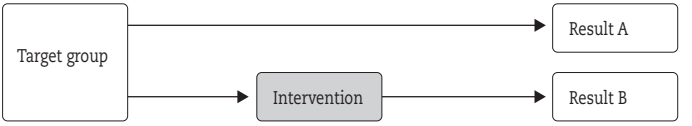

Figure 14: Randomised experiment.

As a consequence of the random allocation to the intervention group or control group, any subsequent difference between the two groups' results can with great certainty be attributed to the intervention. This is because other external factors cannot affect who was offered the intervention, since the allocation took place on a random basis. This means that the two groups are fully comparable.

In many cases it is difficult to perform experiments in the social welfare area, because an intervention will naturally be allocated on the basis of an expert assessment, and not via the random allocation of citizens. There can also be ethical challenges related to performing experiments of this type. For example, it would not be ethically responsible to take children into care on the basis of a random experimental logic, or to fail to offer an intervention to persons in need, just to be able to perform an experiment.

It is thus by no means easy to undertake a survey based on a randomised experiment, but this does not mean that it cannot be done successfully, and on a responsible basis. Such surveys have, for example, been performed at a number of Danish childcare institutions, where there was a wish to support the vulnerable children by offering the staff supplementary training and by developing shared reference points for the staff to use in their work with the children. The intervention group came from 30 institutions and was repeatedly compared with 30 control institutions that

were not subject to the intervention. The survey showed clear evidence that this type of intervention is effective.[15]

If it is not possible to implement an intervention by drawing lots, there are other ways to create a basis for comparison via the experimental logic. Framework terms can be set up for the comparison of groups based on approximately uniform conditions. To investigate the significance of class size for lower secondary school leaving certificate exam grades, for example, account can be taken of the schools' varying framework conditions by comparing schools with equal parameters, such as the pupils' socioeconomic background.

Alternatively, larger data volumes can be obtained, to create a control group that resembles the target group. On the commencement of an intervention, background variables such as gender, age, employment and number of days in treatment can be compared, to show how the target group reacts in relation to a control group, across time and geographical location. To assess the outcome of an intervention to reduce the probability that former criminals will re-offend, for example, a statistical control group can be selected that resembles the intervention group for relevant parameters, and this group can be used as the basis for comparison. This method is called matching and, as shown by Deloitte's experience described below, can yield good results in practice.

15 Tim Vikær Andersen: *Handlekompetencer i pædagogisk arbejde med socialt udsatte børn og unge – indsats og effekt* (Action competences in pedagogical work with socially vulnerable children and adolescents – intervention and outcome). Danmarks Pædagogiske Universitetsforlag (2008).

The control group shows the value of adult apprentices

Peter Thorgaard relates: In 2013, the Danish Agency for Labour Market and Recruitment requested Deloitte to evaluate the adult apprenticeship scheme that gives people over 25 years of age the opportunity for specially subsidised vocational education.

Performing an evaluation of an intervention or a scheme is nothing new for Deloitte, since we have done this many times before. The new aspect of this project was the method we used, which consisted of a long series of register data as well as an actual control group, which is not seen so often in this area.

The specific method we used is called *propensity score matching*. This is an advanced statistical method that imitates the logic from randomised experiments, with an intervention group and a control group. This method gave us a unique opportunity to investigate whether adult apprentices were more likely to be in employment after completion of the training, and whether they were paid more than people who had previously had the same jobs, with the same pay.

The control group was created from a population of more than one million Danes. We quite simply found people who resembled the typical adult apprentice in respect of a number of selected parameters such as income level, employment history, educational level, age, ethnic background, civil status and place of residence. This gave us a group that was by and large identical with the adult apprentice group, with the important exception that the control group had not been part of the adult apprentice scheme.

The analysis showed that the adult apprentice scheme was a very effective way of getting social security benefit recipients and unemployment benefit recipients into employment. The adult apprentices did far better than other social security benefit recipients and unemployment benefit recipients. Moreover, these outcomes were permanent. Four years after the social security benefit recipients had completed the adult apprentice scheme, they on average earned DKK 78,226 more per annum than people who had previously been in the same situation as themselves. The costs to society of DKK 80,000 for wage subsidies and more than DKK 200,000 in payroll reimbursements could soon be set off against the decreasing social security benefit costs and the increased tax revenue as a consequence of higher employment and income.

On the other hand, and quite surprisingly, the analysis also showed that there was no employment and income effect for the people who already had a job before they became adult apprentices. This means that the scheme did not increase the chances of getting a job after completing the training, nor did it increase your income if you already had a job before taking the training. This insight is vital for job centres, decision makers and, not least, the adult apprentices themselves, who all share an interest in using the resources in the best possible way, with the greatest possible effect. Our recommendation was therefore that the adult apprentice scheme be targeted especially at those who were out of work, and that companies be offered greater incentives to employ social security benefit or unemployment benefit recipients.

BEFORE AND AFTER MEASUREMENTS

The experimental approach may thus present practical and logistical challenges. It can also be difficult to create an actual basis for comparison, since everyone in a specific target group will have been subject to an intervention. For example, all adults may receive benefits, subject to certain conditions, just as any elderly person who cannot manage everyday household chores can be offered home help.

If the experimental approach is not possible, before and after measurements can be a good alternative. In before and after measurements, key figures obtained before the intervention commenced are compared with key figures collected at the end of the intervention. With certain reservations, the development as a consequence of the intervention can be identified. Before and after measurements are not quite as valid as the results from an experimental approach, since we cannot be completely certain of whether the outcomes can be ascribed solely to the intervention, although they do provide a good indication. It is thus natural to use before and after measurements as part of the survey design for an SROI analysis.

As we will later show in this chapter, the adult investigation method can, for example, be used as a tool to measure the function level of vulnerable adults. By continuously monitoring the development and comparing it with a *baseline*, i.e. a measurement before the given interventions are implemented, the development for the individual, as well as for the entire target group, can be monitored.

Plan the evaluation prior to the intervention

For the experimental approach, as well as for before and after measurements, it is necessary to already take the outcome evaluation into account before the

intervention is implemented. If before and after measurements are used, a baseline of data must naturally be established before launching the intervention, just as the experimental approach requires division into intervention and control groups, respectively, before the intervention is launched.

PROCESS-BASED APPROACH

An alternative to the other two methods is a process-based approach to outcome evaluation. The process-based approach differs from the experimental approach in that no control group is used. Instead, a programme theory is set up to explain why the intervention can be expected to yield specific results, which we described in Chapter 2. In this way, a fewer number of people or organisations is typically investigated, since there is focus on gaining a deeper understanding of how the intervention works.

The process-based approach is thus a good supplement to the experimental approach, and also to before and after measurements, which both focus exclusively on *whether* a given intervention has an outcome, and not on *how* the intervention actually works. The process-based approach qualifies the understanding of when and how the interrelation between intervention and result arises in a given context. The advantage of a process-based approach is that the evaluation provides detailed knowledge of effective components of the intervention and potentially also concerning any side effects, as well as which players influence the outcomes. In a process-based evaluation model, the question of what works is expanded to concern *what* works for *whom*, and *how*, and *in which circumstances* it does this. The actual outcome measurement takes place by system-

atically testing the programme theory's stages by obtaining data to show whether the activities lead to the required result.

In a process-based approach, the evaluation can be based on the following questions:

- What was successful in the intervention?
- Which conditions or circumstances inhibited or facilitated the intervention?
- How can we explain why something did not go as expected?
- Were there problems with implementation, or other conditions that affected the result?
- What should we take into account if a similar intervention is to be performed?

Below is an overview of the three approaches to evaluation, and their characteristics. If the evaluation focuses on the average outcome of the intervention, the experimental approach should be selected, if possible. Often, however, it is not possible to perform a randomised experiment, in which case the experimental logic can be used to create a basis for comparison with the help of matching, for example. If everyone in a target group is subject to the same intervention, so that it is not possible to establish a basis for comparison, a before and after measurement is a good alternative. The process-based approach must be chosen if there is a need for deeper knowledge concerning the intervention, so as to understand why and how it works.

The experimental approach	► Demonstrates the chain of cause and effect between intervention and outcome ► Shows the extent to which variance in the intervention entails variance in outcome ► Focuses on the cause of a development ► Outcome questions typically begin with: "How much/how many ..." or "To what extent ..." ► Example of an outcome question: "To what extent is the intervention of significance to the target group's average position in match groups?"
Before and after measurements	► Demonstrates the relation between intervention and outcome before and after an intervention ► Shows the extent to which a development has taken place ► Focuses on the development in the target group ► Outcome questions typically begin with: "Has it turned out that ..." ► Example of an outcome question: "Has the intervention raised the target group's function level?"
The process-based approach	► Contributes to understanding processes and mechanisms that connect intervention and outcome ► Shows how the intervention contributes to creating an outcome ► Focuses on both the intervention itself and the intervention's context ► Outcome questions typically begin with: "How", "What" or "Why" ► Example of an outcome question: "Why can the intervention help the target group to get back into the labour market?"

COMBINE THE APPROACHES

An SROI analysis can certainly take place alone, based on one of the three approaches to outcome evaluation. Nonetheless, it is usually an advantage to combine the ap-

proaches in order to get answers to as many as possible of the following questions:

- What was successful in the intervention?
- Which, and how great an outcome can we register?
- Can we show or prove that the results are a consequence of the intervention?
- What are the outcomes in the long term?
- Which conditions or circumstances inhibited or facilitated the intervention?
- How can we explain why something did not go as expected?

While the experimental approach and the before and after measurements can give a quantitative measure of outcome, the process-based approach can, as stated, *explain* the relationship between intervention and outcome. A combination of approaches will therefore often ensure optimum conditions to evaluate the outcome of an intervention.

SROI IN PRACTICE

How return on investment is measured

Let us return to *Project New Start* in Rebild Municipality. Here, interventions for the least resourceful families are documented on an ongoing basis, so that over time a body of data is established to show which interventions create the best return on investment.

During the project period, the municipality keeps a close eye on the costs and compiles results for both adults and children. The family members are assessed periodically via indicators that reflect the function level of the individual child or adult. The in-

dicator for adults reflects a number of dimensions, as shown in Figure 15.

When the interventions commence, the municipality ensures a baseline by assessing the function level for each adult on a scale from 0 to 4. 0 corresponds to *no or insignificant problems*, while 4 is *complete or total problems*. Via the measurements, the municipality thus has a sound basis to assess the intervention's results.

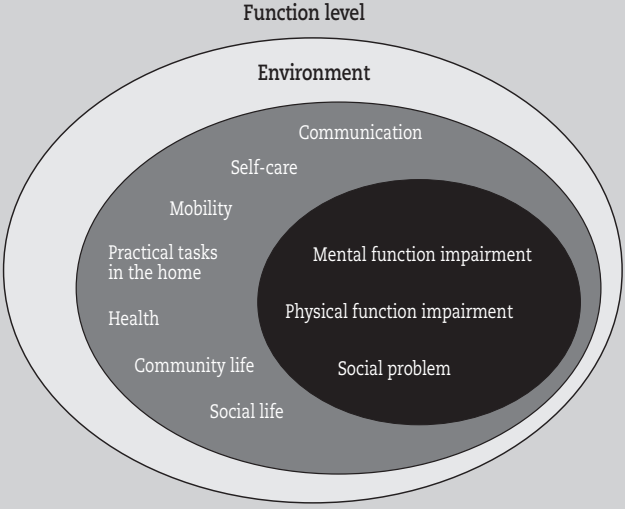

Figure 15: Indicators that reflect function level.

The specific interventions

Which specific interventions are to be measured? In *Project New Start*, which provides special interventions for the municipality's vulnerable families, this concerns practical traineeships, substance abuse therapy, housing support, health-promoting schemes

and referral to a psychiatrist or psychologist. Figure 16 shows the average development in function level for adults receiving various interventions. On a scale from 0 to 4, the Figure shows the change in function level per measurement in relation to the baseline established on the commencement of the intervention.

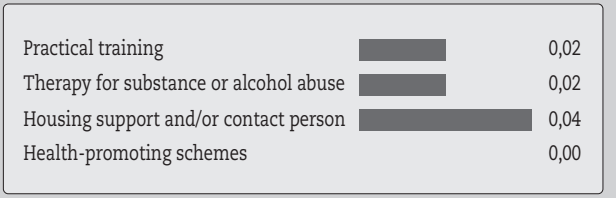

Figure 16: Measurement of function level in Project New Start.

After a period of monitoring the development in function level for each citizen, via ongoing measurements, it is possible to see the development for the participants across the various interventions.

Overall, the measurements show positive development, while the municipality has achieved overall financial savings. It is also possible for the municipality to see which interventions best support positive development. Figure 16 shows the outcomes after the first year, and here it can be seen, for example, that the greatest average improvements were seen for the adults who received housing support, while adults in practical training or substance abuse therapy also made progress. On the other hand, no development was seen for the adults who were offered a health-promoting intervention.

By using a screening tool, the families' contact person can monitor which interventions ensure improvements for the target group. The families' development thus becomes more tangible, just as the results can be used by the municipal employees when they work with the families on setting new targets for the intervention. A score of between 0 and 4 may not give an unambiguous picture of the individual person's situation, but together the scores paint an overall picture of the effectiveness of the various interventions. Rebild Municipality can gain valuable experience from the results, just as the municipality can see, in the longer term, which interventions have a good effect – and at least just as important: which interventions do not have an effect.

The experience from *Project New Start* is sound and emphasises the value of an overall intervention with one coordinating case officer for the families who are struggling with complex, interrelated problems. It has become clearly apparent that in many cases the parents are the reason for the children's problems, and that an intensive intervention for the adult family members will generally also increase the children's well-being. The project has also shown a need to widen the range of interventions, introducing a number of new options in order to offer qualified help to the target group.

SROI RATIO: SHOULD/SHOULD NOT?

Based on the evaluation performed, it is possible to calculate an actual SROI ratio, i.e. the *overall financial value of the*

intervention. Note the word *possible*, since the calculation is a possibility, not a requirement. Once an outcome evaluation has been performed, a lot has been achieved – but if we *can* and *dare* compile all outcomes *quantitatively*, we will gain a very clear picture of whether an intervention is worth the investment.

If we wish to calculate an actual SROI ratio, there are two steps we need to take. First, it must be estimated how much of the outcome, *in isolated terms*, is a consequence of the intervention. Then the financial benefits can be quantified. This might, for example, be the calculation of a municipality's savings when 30 per cent of the target group progress from social security benefit to employment. Finally, *proxy data* – which, as stated, is price measures of outcomes that do not have an immediate market value – is used to arrive at the final result.

Let us begin with the isolated outcome that is determined on the basis of the three separate questions:

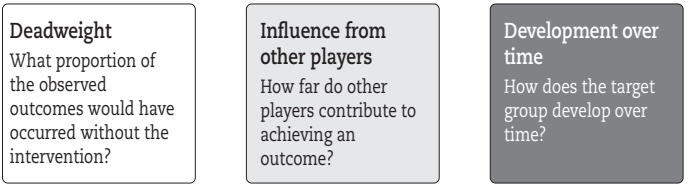

Figure 17: Isolated outcome of an intervention.

Deadweight

Deadweight expresses what would have happened without a given intervention. By taking the deadweight into account, we can ensure that the results of the intervention are not overestimated. If an alcohol withdrawal programme leads to sobriety for half of the participants, but 20 per cent

of the target group would have achieved this anyway, without the intervention, the deadweight is 20 per cent. For this group, the intervention was superfluous, since they would have done well in any circumstances. The isolated outcome of the programme is thus half of the participants, less 20 per cent.

In some cases, before and after measurements may be sufficient to determine the deadweight. If a target group is very difficult to reach, and not likely to improve without help, the deadweight loss will thus also be very modest. This might be the long-term homeless who, from experience, have a very small chance of finding housing, unless they are supported. An intervention that helps the homeless to get a roof over their heads will thus have a deadweight of 0, and the results would be solely attributable to the intervention.

In other cases, assessment of the deadweight loss requires an experimental approach, comparing the intervention group with a control group, as described at the beginning of this chapter. If an experimental approach is not possible, the deadweight loss must be assessed on the basis of qualified estimates by experts in the field.

Influence from other players

A given intervention will by and large always be subject to external influences, i.e. other players or other interventions. It is seldom possible to state exactly who these players are, and how much influence they exert, but we should be aware that they exist, and that they can have a significant influence on the outcomes that are measured.

This might be a vocational college that hires a psychologist to help students who are struggling with personal problems and therefore have high absence rates. The intervention has a clear impact and besides improved attendance rates, the college can note that the young people are

more active in class, better prepared, and achieve higher grades. Concurrently with the psychological counselling, some of the young people are referred to a substance abuse programme, where they are helped to reduce or give up their cannabis abuse. The fact that some of the students do better is not just a result of the psychological counselling sessions, but is achieved in interaction with the municipality's substance abuse intervention.

Determining the influence from other players will therefore in some cases require a qualitative assessment. At the college, qualitative interviews with both the target group and the employees will be an obvious way of determining what can lead to good results. Like the measure of deadweight, this parameter is also stated as a percentage. In this case, it can be assumed, for example, that the value of the school's intervention must be written down by 25 per cent.

Development over time

On calculating an SROI ratio, it is vital to know how the target group develops over time. Let us assume that, after the intervention's first year, it has been possible to help 20 homeless people, who would like a permanent home, to find a flat. However, a follow-up measurement shows that after five years half of them are back on the street. This means that the intervention's outcome decreases by 50 per cent over a five-year period.

The long-term outcomes can be measured by monitoring the target group over time, for example on the basis of register data. In other cases, the short-term outcomes can be measured as the basis for assessing whether the outcomes are permanent.

Isolated outcome

In the GRIT programme (already presented above), the outcomes were meticulously identified. The programme for Irish adolescents is one of the few interventions that has been assessed under a full SROI analysis by involving stakeholders, experts, and naturally the actual recipients of the intervention. On this basis, the project's sponsors identified a large number of positive outcomes, including that a large proportion of the target group gained employment, reduced their drug abuse and put crime behind them. Furthermore, validated scales were used to assess the participants' mental state and how far they were influenced by the intervention, just as the outcome of the programme was isolated, the deadweight was estimated, and the significance of other players was assessed.

The actual assessment, summarised in Figure 18, was performed in cooperation between the GRIT programme's management and Deloitte in Ireland. It was found that a small proportion of the young people had got back on the right course without taking part in GRIT, so that it could be concluded that in most cases the outcomes could be attributed to the intervention. Based on the assessments of the expert staff who work with the target group on a daily basis, as well as interviews with the participants themselves, the deadweight loss was set at 5 per cent. This means that for most of the target group the observed outcomes were perceived to be consequences of the intervention.

The intervention was also followed up by partner organisations in the young people's local area, so that the registered outcomes cannot be attributed solely to GRIT. Instead, it was sought to quantify the proportion of the outcomes that was attributable to the influence of external players that, for example, helped the participants to find practical training places, or offered psychological support. On this basis it can be assumed that the GRIT outcomes must be written down by between 15 and 50 per cent. It was assessed, for example, that external players had a positive effect on the participants' commitment to the training, so that 20 per cent of the overall outcome is deducted.

It should also be added that the analysis of GRIT solely assessed the returns on the intervention as a snapshot view, without calculating outcomes over time. To do this, it would be necessary to follow the target group for a longer period than was the case here.

It may appear to be an abstract exercise to write down the value of the individual outcomes as shown in the Figure, but as the next chapter will show, this write-down is of great significance to the actual outcome evaluation, and especially to the subsequent valuation.

Outcome	Deadweight	Influence from other players	Development over time
	What would have happened without the intervention?	How much do external players contribute to achieving change?	How do the outcomes develop over time?
Increase in the participants' motivation, self-confidence and self-esteem	5%	20%	Unknown
Increase in the young people's attendance of the training course, with declining absence rates	5%	20%	Unknown
Participants have stopped/reduced their use of drugs and alcohol	5%	15%	Unknown
Less criminal activity among the participants	5%	50%	Unknown

Figure 18: Selected outcomes of the GRIT programme.

CHECK LIST FOR OUTCOME EVALUATION

- ✓ Is the outcome evaluation already taken into account before the intervention is implemented?
- ✓ Is it possible to implement the intervention as an experiment, or to create a basis for comparison via the experimental logic?
- ✓ Have the opportunities to use a combination of methods been considered?

- ✓ Is the intervention monitored over time using either before and after measurements or the process-based approach?
- ✓ Is it possible to isolate external and internal variables' influence on the results?
- ✓ Is it possible to determine deadweight, other players' influence and the development over time?

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06

RETURN ON INVESTMENT IN HARD CASH

In 2008, the Swedish macroeconomists Ingvar Nilsson and Anders Wadeskog performed an economic analysis of the losses to Swedish society when marginalised children and adolescents grow up to an adult life on the margins of society. The analysis compares selected municipalities' strategies for handling vulnerable families and calculates the economic consequences of a preventive and holistic intervention, rather than a less active strategy.

The results are plain: The municipalities that took timely and successful measures to help children at risk of facing substance abuse problems, homelessness or crime, achieved enormous returns over time. The costs of, for instance, healthcare services and transfer incomes over many years are an enormous burden on public finances. The costs of neglecting vulnerable children and adolescents are high and the analysis identifies significant potential savings if the municipalities manage to achieve an early, large-scale and well-qualified intervention.[16]

16 Ingvar Nilsson and Anders Wadeskog: "Det är bättre att stämma i bäcken än i ån" (A stitch in time saves nine) (2008).

In the wake of this Swedish analysis we can ask whether it is always possible or appropriate to put a price tag on social welfare interventions. The social welfare area is a complex field, and interventions often have consequences that are difficult to evaluate in monetary terms. It can also be difficult to weight both economic and non-economic value.

Yet we still believe that it makes good sense to analyse the economic consequences of social welfare interventions. Well-documented analyses of this type help to show the consequences of various interventions and thus constitute an important instrument in the prioritisation discussions. This knowledge contributes to the ongoing identification of interventions that do not pay off – and thereby a better distribution of the funds available.

In this chapter we present two different approaches to calculating social return on investment. The point of departure for both approaches is the fundamental question: Is a given intervention a worthwhile social investment?

- *Method 1: Use a scenario model.* The scenario model uses scenarios and personas to illustrate the returns on an intervention. It separates welfare effects and economic effects and is based on knowledge of the costs concerning the target group. Based on various outcomes for success and time frames, the scenarios can elucidate whether an intervention is a worthwhile economic investment.
- *Method 2: Use of the classical SROI ratio.* In the classical approach, an SROI ratio is calculated that expresses the ratio between returns and costs. A key element of this approach is the use of financial proxies to determine the value of welfare effects.

METHOD 1: SOCIAL RETURN ON INVESTMENT ILLUSTRATED BY SCENARIOS

The economic consequences of an intervention in both the short and long term can be shown by scenarios to illustrate the expected future returns and savings as a consequence of various interventions.

The starting point for setting up scenarios is knowledge of both actual and expected costs, as well as future returns and savings. The latter may be the economic returns from earning one's own living rather than public welfare benefits, or the savings on healthcare provision, the criminal justice system and future interventions.

In a scenario analysis, it is vital, first and foremost, to consider the cost of *not* doing anything, in both the short and long term. The possible results of a given intervention must be compared with status quo – called a *0 scenario* – as an expression of a continuation of the current situation. In the Swedish analysis referred to in the introduction to this chapter, the extra costs of one single marginalised citizen are calculated at between SEK 250,000 and 350,000 per annum. The costs of a preventive or intervention initiative must naturally be viewed in this light.

Figure 19 juxtaposes 0 scenarios and alternative scenarios.

0 scenario

Costs in the short term:
- Public welfare benefits
- Overlapping interventions

Costs in the long term:
- Public transfers
- Substance or alcohol abuse
- Costs related to crime

Alternative scenario

Costs in the short term:
- Public welfare benefits
- Massive, holistic intervention

Returns in the long term:
- Increased lifetime income
- Fewer costs of benefits
- Self-reliance

Figure 19: 0 scenario versus alternative scenario.

SCENARIOS

A scenario analysis comprises four analytical stages:

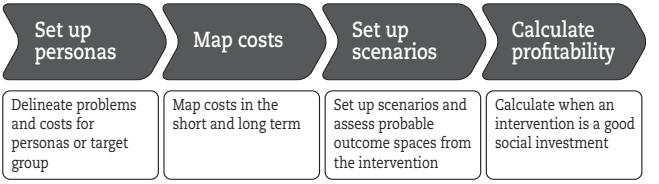

Figure 20: The four stages of the scenario model.

1. Set up personas

The first stage is to define the target group using a persona that reflects the typical characteristics, problems and costs. There will normally be a reasonably clear picture of the target group from the earlier phases of the SROI analysis. On this basis, one or several personas can be set up.

We can take the John persona as the starting point. John is a fictive person, but most people working with children and adolescents will be familiar with John as a phenomenon. Young people like John often come from families characterised by a lack of resources and norms, unemployment, financial insecurity, or dependency problems. These children, who are at risk of marginalisation, will naturally develop into adulthood in different ways; Some will break out of the negative mould and manage to overcome the social problems they face, using their own resources. Others will experience how a helping hand from a teacher, volunteer or family member can show a way out of the problems. But others will face serious problems throughout their lives, unless early, intensive measures are taken. John falls into the last-mentioned category.

John's story

John's mother fell pregnant at a young age, and decided to have John as a single mother, with little support from family and friends. She had rarely worked, and had suffered long periods of severe depression, with medication dependency, which naturally affected her emotional resources and abilities as a mother.

During John's childhood, the municipality received several reports that he was not thriving or being taking care of properly at home. However, no long-term cooperation was established between the municipality and John's mother.

John was a boy of normal intelligence, but he was severely understimulated and affected by a deprived upbringing. He faced difficulties at school, where he was lonely and often left to fend for himself. His childhood was marked by severe family conflicts, culminating in a fight between John and his mother's boyfriend, after which John was placed in a residential institution.

2. Mapping costs

Based on the persona of John, it is possible to map the costs of various interventions targeted at young people like him. In this case, this is a matter of the short-term costs of being taken into care, as well as the expected long-term costs. This is achieved by setting up a *cost map* for the given target group.

A cost map shows the average costs concerning the target group. The cost map may be based on register data, as well as existing data from surveys of the healthcare services and the probation and prison services. This might be

the average prices of welfare benefits, the costs of taking children into care, and the costs of healthcare services, etc.

The cost map can be set up at person level as well as aggregated level. Below, we present a cost map for John.

Cost map for John

Among criminals and drug addicts there is an overrepresentation of young people who were taken into care as children. The economic consequences of children previously taken into care, who are vulnerable, show that they cost an average of DKK 6.7 million per person throughout their lifetime.[17] For John it is therefore probable that for the rest of his adult life he will be a major cost for society in terms of health problems, crime prevention and his lack of ability to earn a living.

Costs of John in the 0 scenario

Childhood and adolescence

- Costs of residential institution
- Costs of criminal justice system

Probable future costs

- Cost of healthcare services
- Crime-related costs
- Transfer income

Estimated total costs: DKK 6.7 million

17 The Danish National Board of Social Services: "Vejen til uddannelse og beskæftigelse for udsatte unge mellem 15 og 23 år" (The path to education and employment for vulnerable young people aged between 15 and 23).

3. Setting up scenarios

In the third stage, scenarios are set up to illustrate whether the intervention is a worthwhile economic investment. Both welfare returns and economic returns must be set up, as well as estimates of the probability of a given scenario being realised. In this case, often a main scenario, as well as one or several alternative scenarios, will be set up, to take account of the uncertainty relating to the main scenario.

In the first instance, an alternative scenario can be set up for the persona(s) used, thereby elucidating the potential returns from the intervention. Below, we outline an alternative scenario that might apply to John's case.

Alternative scenario for John

Socially vulnerable young people often lack experience from both the education system and the labour market. Substance abuse or longstanding criminal activities may become a lifestyle, and there is a risk of chronic social isolation. Once a marginalisation process has set in, it can be difficult to break out of. Exhaustive, sustained motivation measures are required, and in many cases there will be a need for longstanding, intensive strategies, accompanied by personal support and contact.

When John was 12, the municipality therefore launched an expert child assessment of John and his family. The case officer then planned a cross-disciplinary family programme. This programme involved cooperation with his school, as well as family therapy and a fixed contact person. This was followed up with subsequent counselling sessions and family therapy. This strategy was very costly, to the tune of

DKK 865,000 for the municipality. In the short term, it was a high financial burden and a tough prioritisation to spend so much on one single family.

The municipality thus devoted a lot of resources to John, based on the principle that if John could get back on the right path this would yield significant economic and welfare-related returns. Ideally, he would start in a new school and, after some years, take his lower secondary leaving certificate, learn a trade and avoid the substance abuse and life of crime that would otherwise probably be his fate.

In the alternative scenario, the following calculations can be made:

Costs of the alternative interventions

- Approximately DKK 865,000

Potential returns

- There are seldom any major conflicts between John and his mother.
- John gains more friends at school and joins a local soccer club.
- He completes lower secondary school and immediately starts a course of training.
- Employment as a trained painter and decorator replaces a life on welfare benefits and frequent spells in prison.

The saving from giving John a life in line with the average Dane is DKK 6.7 million, less the costs of the intervention of DKK 865,000 – an overall saving of more than DKK 5.8 million.

With regard to the intervention for John, it is unknown how often each intervention has long-term positive effects. However, we know from evaluations of crime prevention programmes for young people in the City of Copenhagen that intensive interventions significantly reduce juvenile crime rates and also significantly improve the young people's involvement in the education system and the labour market.[18] In addition, studies of the outcomes of intensive family interventions have shown how these interventions are likely to have a positive effect. On this basis, we can assume that an early preventive intervention for the target group that John represents yields a long-term outcome in 20 per cent of cases.

As the Figure shows, the overall assessment of the long-term effects consists of four elements.

18 Summary of evaluations of crime prevention programmes for young people aged 18 to 25 in the social services, unit for crime prevention programmes (2013).

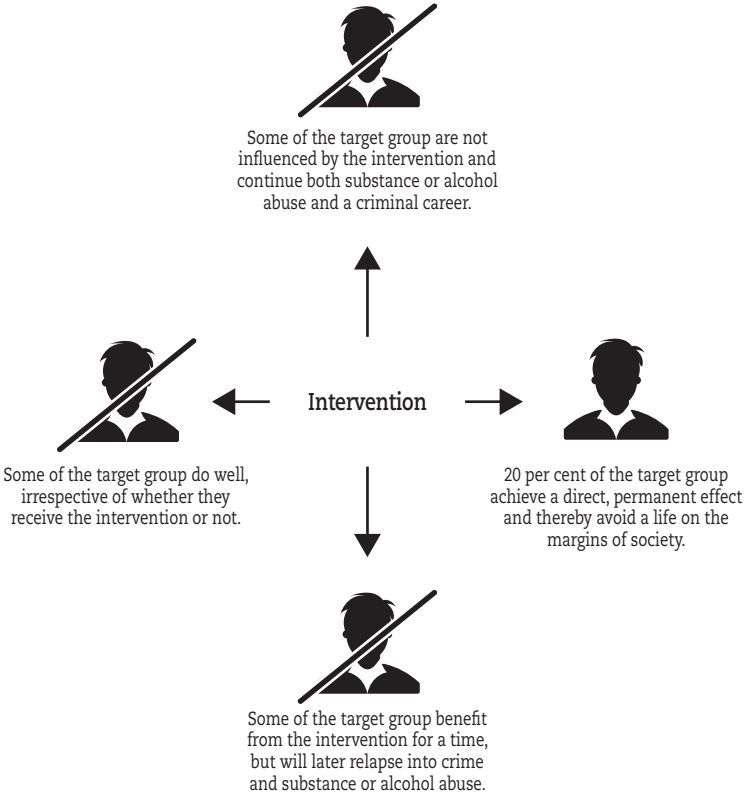

Figure 21: Assessment of long-term effect.

Even though the scenario is based on a relatively modest success rate of only 20 per cent, the intervention still gives a large overall return. Based on 100 adolescents whose situation resembles John's, the costs of the interventions will overall total DKK 86.5 million. If just 20 out of these 100 people achieve the long-term outcomes of the intervention, as stated in the scenario the returns will total DKK 134 million. Overall, the intervention is a highly worthwhile social investment (it should be noted that future returns will

typically be discounted. Discounting is considered further at the end of this chapter).

There is naturally a degree of uncertainty related to the assumption of long-term effects for 20 per cent of the target group, and it is necessary to take this risk into account. This might, for example, take place by stating a low, medium and high range for the specific cost or return, as well as alternative probabilities of the individual outcomes.

Below, we show how it is also possible to calculate the proportion of the target group that should be helped, for the intervention to be a success. This provides the answer to the question of whether the costs of a given intervention can be outweighed by the economic returns.

4. Calculate profitability

If we know the break-even point – when returns equal costs – we can set up a measure of when the intervention will result in a healthy bottom line. This can show when an intervention will be economically profitable, even if we have no tangible evidence of its outcomes.

In John's case, the costs in the long term are so high that even just a few success stories will result in an overall positive return. Calculation of the costs and returns would show that if an intervention can, for example, help vulnerable young people to break free of a life of crime and substance abuse in just 13 per cent of cases, the future savings will be high enough to pay the total costs of the intervention. A successful intervention for someone like John will yield savings high enough to pay for the interventions for the next eight people. In Figure 22, the black line shows the one-off costs, while the dashed line indicates the savings from various success rates for the target group. The Figure illustrates an intervention for 100 vulnerable young people. In our scenario, the cost for each participant is DKK 865,000, bringing the total costs to DKK 86.5 million. If none of the

young people involved achieves a direct and permanent outcome, the return on the intervention will be zero. If one participant – equivalent to 1 per cent of the total number – achieves a direct and permanent outcome, the return will be DKK 6.7 million – which is far below the total costs. If 13 per cent of the participants achieve a direct and permanent outcome, this will give a return of DKK 87.1 million, making the intervention profitable in overall terms. In Figure 22 this break-even point is shown as the intersection between the black and the dashed lines.

The scenario model thus shows how the welfare-economic effects of an intervention can be mapped. It also shows how the micro and macro levels can be interconnected when an analysis is based on individual citizens, but expanded to include entire target groups.

Finally, the analysis of the John scenario is a clear example of how money spent on social interventions can later be money saved by the public sector in general. This also emphasises our point that a cross-disciplinary approach should be taken, to shed light on social welfare investments in an overall perspective.

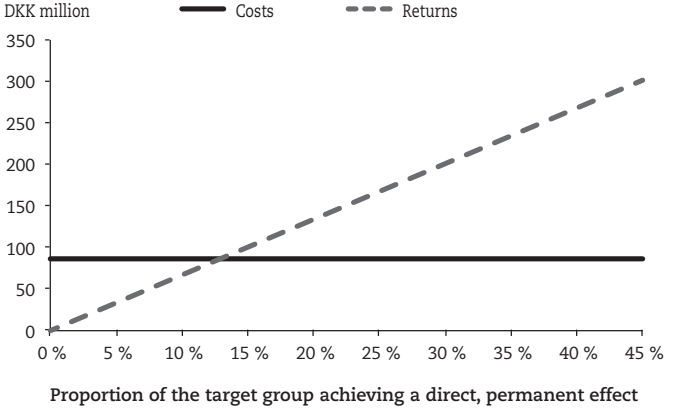

Figure 22: Costs and returns related to an early investment in vulnerable young people.

METHOD 2: THE CLASSICAL SROI RATIO

We will now leave the scenario analysis and turn to the classical SROI analysis, in which the economic effects are calculated by expressing the value of the entire intervention in financial terms.

Pricing welfare effects requires, first and foremost, that we *quantify* the intervention's individual outcomes and on that basis calculate an SROI ratio to express the relation between returns and costs. This may sound rather complicated, but the principle is simple: by putting a price on the value of each effect, we can gain an idea of what the investments have achieved. A ratio of 2:1 thus describes how for each krone invested, a return of two kroner will be achieved. The concrete result of the analysis is a statement of all of the returns for the entire relevant measurement period, as a ratio of the total costs.

The SROI ratio is found by many to be easy to understand and explain, as it summarises a complex concept as one short, concise value. With just one formula, the SROI ratio gives an overall picture of whether a social intervention is a worthwhile investment.

The actual calculation behind the ratio is based on the knowledge already collected. The calculation is made in four consecutive steps:

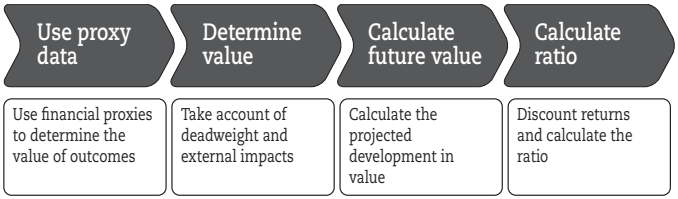

Figure 23: Calculation of SROI ratio.

1. Use proxy data

One element of the assessment of an SROI ratio is proxy data, which is price measures of the outcomes that do not have an immediate market value. Proxy data has long been used in the infrastructure area, as well as in environmental policy, where the data is used to determine the value of communal assets such as roads and drinking water. In the same way as for environmental effects, many social benefits are not traded in a market and are therefore not immediately translatable into financial values. Nonetheless, it is actually possible to compile these benefits in price terms – either by using estimated costs, or with the help of calculated averages. To price a criminal conviction, for example, the cost can be calculated on an average basis as the total costs of criminal activity in Denmark divided by the total number of criminal convictions. This gives a cost of DKK 46,500 per criminal conviction.[19] If an intervention leads to a lower crime rate, there is a basis to evaluate the outcome of this intervention.

SROI IN PRACTICE

Value of GRIT

A comprehensive example of how these values can be determined is found in the GRIT programme. Figure 24 shows how the value was analysed. In the analysis, via interviews with both employees and former participants a number of outcomes for the

19 Rasmus Højbjerg Jacobsen and Jens Kovsted: "Samfundsøkonomisk potentiale ved indførelse af Leksand-modellen i Danmark" (Economic potential of introducing the Leksand model in Denmark). Centre for Economics and Business Research, CBS (2012). The cost of DKK 46,500 is calculated on the basis of the number of convictions in 2005, discounted forward to the 2009 level.

participants were identified. They concern the participants' mental and physical health, the fact that more of them achieved employment or commenced training or education, and the decrease in crime and substance abuse. After this, questionnaires were created to assess the extent of the outcomes for the former participants. As we showed in the previous chapter, on this basis measures were estimated of the proportion of the outcome that, in isolated terms, originated from GRIT.

By applying a number of financial proxies, each outcome could then be quantified and compiled in monetary terms. A monetary value is thus determined for a participant becoming clean of drugs or achieving a long-term improvement in mental health. The outcomes related to participants' mental well-being are, for example, priced on the basis of the average cost of professional psychological counselling. Financial proxies are used in the same way to determine the other outcomes for the project.[20]

By setting a financial value for the various outcomes and also determining the proportion of the participants who experience the given outcomes, it is possible to calculate the intervention's overall value. When one person manages to stay clean or sober, for example, this represents an annual economic value of approximately £2,200. If this applies to one fifth of the 144 participants, the value will be £63,800. The analysis can thus identify the total economic value of the registered outcomes.

20 Deloitte: "Evaluation of the GRIT Experience 2" (2012).

Organisation	The International Fund for Ireland				
Intervention:	GRIT: Workshops, job training, psychological counselling and follow-up sessions, etc. 144 participants in total.				
Selected outcomes	Indicators	Proportion of participants achieving an outcome	Financial proxy	Source	Total value
Increase in the participants' motivation, self-confidence and self-esteem.	Questionnaire concerning self-confidence, self-esteem, quality of life, etc.	95%	Costs of teaching with external psychologist/ teacher at £25 per hour	Average price of psychological counselling in Ireland	95% of the participants × £25 = £3,500
The participants have overcome their substance or alcohol abuse.	Questionnaire on drug use/alcohol consumption	20%	Average costs of substance or alcohol abuser per year = £2,200	Drugs and Crime Office, Northern Ireland	20% of the participants × £2,200 = £63,800
Negative influence on the local area, vandalism, problems in the housing association, etc. are reduced.	Interviews with participants	95%	Costs of conflict consultant at £50 per hour	Average price of psychological counselling in Ireland	95% of the participants × £50 = £7,000
Increase in the young people's attendance of the training course, and absence rates decline.	Proportion in education/ training	95%	Increased job opportunities and higher income	Office for National Statistics, Ireland	95% of the participants × £9,130 = £1,278,200
The participants feel less aggressive and anxious and have greater faith in their own quality of life, and more hope for the future.	Interviews with participants	83%	Reduced costs of the health service, £275	ONS Family Spending	83% of the participants × £275 = £33,623
The participants' mental state has improved, and they self-harm less and are less suicidal.	Interviews with participants	35%	Health expenses and alternative costs associated with self-harming behaviour	Northern Ireland Suicide Prevention Strategy	35% of the participants × £897 = £45,747
Less criminal activity among the participants	Contact with the judicial system	5%	Cost of crime per offence = £5,900	Drugs and Crime Office, Northern Ireland	5% of the participants × £5,900 = £59,000

Figure 24: Value of outcomes in the GRIT programme.

2. Determine value

As presented in Chapter 5, several factors are involved when outcomes are isolated. To calculate the value of the intervention, it is necessary to determine how much of the value, in isolated terms, is a result of the intervention. As we saw, this requires us to take account of the deadweight, the impact from other players, and the time frame in which the intervention is expected to achieve an outcome.

In the GRIT programme, the annual returns from the participants kicking their drug or alcohol habit are estimated at £63,800, or around DKK 600,000. After deducting 5 per cent as deadweight and 20 per cent attributable to external players' contributions, the isolated value is £48,448. The isolated value for all outcomes is calculated in the same way, so that the *isolated financial value of the GRIT programme after one year* can be set as £1,116,870. The calculation is presented in Figure 25.

3. Calculate future value

The overall return from the GRIT programme after year 1 has now been calculated. The next step is to determine the value over time.

The projection can be made in two ways, of which the most valid is naturally to perform an actual measurement of outcome over time. If it is not possible to perform such measurements, the projection can instead be based on a qualified estimate of the year-on-year development in the value of the intervention. For example, declining outcomes may reflect how the strategies learned by the target group may be forgotten, some members of the target group may suffer relapses, or there may be other parameters that reduce the value of the intervention.

It has not been possible under the GRIT programme to assess the results in the longer term, so that the projection is based on an estimate. We can take the outcome "The par-

Total value of GRIT, year 1				
Outcomes	Gross value	Deadweight	External impact	Total value of GRIT
	Total value of a given outcome	How much of the outcome would have occurred without the intervention?	How far do external players contribute to achieving an outcome?	Overall value minus deadweight and external impact
Increase in the participants' motivation, self-confidence and self-esteem.	£3,500	5%	20%	£2,660
Negative influence on the local area, vandalism, problems in the housing association, etc. are reduced.	£7,000	5%	10%	£5,985
Increase in the young people's attendance of the training course, and absence rates decline.	£1,278,200	5%	20%	£971,432
The participants have overcome their substance or alcohol abuse.	£63,800	5%	20%	£48,448
The participants feel less aggressive and anxious and have greater faith in their own quality of life, and more hope for the future.	£33,623	5%	20%	£25,553
The participants' mental state has improved, and they self-harm less and are less suicidal.	£45,747	5%	20%	£34,767
The participants engage in less criminal activity	£59,000	5%	50%	£28,025
				Total return after year 1: £1,116,870

Figure 25: Total value of the GRIT intervention after year 1.

ticipants' motivation, self-confidence and self-esteem have increased" as the starting point. Based on interviews with participants and experts, it can be estimated that the value annually diminishes by 35 per cent. This means that fewer members of the target group experience an outcome two years after the intervention than after the intervention's first year.

By adding up the annual value of the intervention over a five-year period, the total value, year-for-year, can be calculated. As the table below shows, the value of the participants' increasing motivation and self-esteem is calculated as £2,660 for the first year. In the following years, there is a decline in the proportion of the target group who experience this increase – in year five the annual value increase is thus reduced to £475.

	Value increase 35%	Total value
Year 1		£2,660
Year 2	£2,660 × 0.65	£1,729
Year 3	£1,729 × 0.65	£1,124
Year 4	£1,124 × 0.65	£730
Year 5	£730 × 0.65	£475
		Total: £6,718

Figure 26: Calculation of value over a five-year period based on the outcome: "The participants' motivation, self-confidence and self-esteem have increased".

As the example shows, the value increase diminishes year by year, while the overall value increases over time. Applying an equivalent approach to all outcomes from the intervention, the GRIT programme's value over a five-year period can be calculated.

4. Calculate ratio

In an economic analysis for the social welfare area, many returns will only emerge in the long term. Since the benefits of the savings are not reaped until a future date, the return must be discounted back in order to assess the present value of the investments. A return that does not emerge until far into the future will thus have a lower present value. Let us consider an intervention targeted at vulnerable children. The costs of the intervention must be paid while the intervention is taking place, but its returns will only be seen over a long period. To compare the costs and returns, which occur now and in the future, the future values are converted to present values using a discount rate. The discount rate used is of vital importance since it can determine whether an intervention targeted at vulnerable children is a worthwhile investment.

Money today versus future returns

There are various different views on what the discount rate should be – the lower the discount rate, the more worthwhile the investment, all other things being equal. The Danish Ministry of Finance uses a discount rate of 4 per cent for the first 35 years, while the Danish Welfare Commission and the Danish Economic Council apply a discount rate of 3 per cent. Using a discount rate of 3 per cent means that if an intervention yields a return of DKK 10 million ten years after the intervention took place, it has a net present value of almost DKK 7.5 million.

With a discount rate of 3 per cent, the value can be calculated using the formula:

$$\frac{\text{Value, year 1}}{(1{,}03)^1} + \frac{\text{Value, year 2}}{(1{,}03)^2} + \frac{\text{Value, year n}}{(1{,}03)^n}$$

Figure 27: Discounting.

Let us assume that the future value increase in the GRIT programme was calculated over a five-year period. On this basis it is possible to calculate the net return from the intervention, as well as the ratio of the total costs versus the total returns. The total cost of 144 participants in the GRIT programme is a one-off cost of £1,211,953. We calculated the total returns after year 1 at £1,116,870. After discounting the return by 3 per cent, the present value is £1,084,340, which means that the net return after one year is a negative £127,613.

In the next table, the net return from the GRIT programme is found by deducting the total costs from the total returns at present value, while the SROI ratio is calculated by dividing the total value by the total costs.

	Cost	Annual return	Return at present value*	Total net return	Total ratio
Year 0	1,211,953	0	0	-1,211,953	-
Year 1	0	1,116,870	1,084,340	-127,613	1:0.89
Year 2	0	390,083	367,691	240,077	1:1.20
Year 3	0	137,638	125,958	366,036	1:1.30
Year 4	0	47,886	42,546	408,582	1:1.34
Year 5	0	16,760	14,457	423,039	1:1.35
Total	**1,211,953**	**1,709,237**	**1,634,992**	**423,039**	**1:1.35**

Figure 28: Net returns and SROI ratio. Return at present value discounted by 3 per cent.

The Figure shows that the total costs of the intervention exceed the total returns in the first year, when the intervention results in a ratio of 1:0.89. The ratio reflects how for each pound invested there is a return of £0.89. In the slightly longer term, however, the intervention is a good deal and already proves its economic worth in the second year of the intervention. After year five, the net return is thus more than £420,000, which gives an SROI ratio of 1:1.35. For each pound invested, a profit of £1.35 is achieved.

The Irish example shows that it is possible to put a price on welfare outcomes and to calculate a ratio for the total costs versus the total value. However, this calculation is still subject to an element of uncertainty. We therefore recommend that a financial calculation never be allowed to stand alone, but is presented as a sub-element of an overall SROI analysis.

CHECK LIST FOR RETURN ON INVESTMENT

For the scenario model:

- ✓ Do the scenarios reflect knowledge of the results of a given intervention – or are they as a minimum based on realistic assumptions of possible outcomes?
- ✓ Have the costs related to the 0 scenario been compiled?
- ✓ Has account been taken of all of the economic consequences, in both the short and long term?
- ✓ Is it possible to determine break-even?

For the classical cost-benefit analysis:

- ✓ Are there realistic proxies for all of the outcomes to be included?
- ✓ Is it possible to say anything about the size of the outcome created by the intervention?

- ✓ Is there any knowledge of the outcomes in the longer term?
- ✓ Does the ratio reflect a discounted return?

READ MORE

- Danish Ministry of Finance: "Vejledning i udarbejdelse af samfundsøkonomiske konsekvensvurderinger" (Guide to the preparation of economic consequence assessments) (1999)
- Nilsson, Ingvar and Anders Wadeskog: "Det är bättre att stämma i bäcken än i ån" (A stitch in time saves nine) (2008).
- Nilsson, Ingvar and Anders Wadeskog: *Handbok till en förenklad socioekonomisk analysmodell* (Handbook for a simplified socioeconomic analysis model). Skandia (2010)
- The SROI Network: "A Guide to Social Return on Investment" (2012)

07

TARGETED COMMUNICATION

The last phase of an analysis of social return on investment concerns the actual dissemination of the analysis results. In this respect it is, for instance, important to communicate to the stakeholders *what* an intervention signifies, for *whom* it is significant, *why* it is significant, and whether it is viable as a social welfare investment, preferably supplemented with a number of explicit and realisable recommendations.

As for all communication, the dissemination should always be targeted at the relevant recipients. As previously described, SROI is an instrument that can be used to collect information at several levels, and various recipients have different views of which success criteria an intervention is subject to, and the premises for the evaluation of an intervention. While decision makers lay down the overall objectives and set priorities for the allocation of resources, it is typically left to front-line employees to plan the work and add the final touches to the professional intervention. The two target groups thus have different perspectives, which can be taken into account by emphasising various types of return in the presentation.

All players must prove their value

Morten Wiene relates: The GRIT programme is included in this book not only because the programme has achieved impressive results for the vulnerable young people. It is also included because the GRIT programme was undertaken by a private player that, even more than a public player, is required to justify the intervention – and virtually *market* it to be able to obtain sufficient financing.

The GRIT programme is Irish, but could just as well have been Danish, since in Denmark we also have many private players in the social welfare area, such as private residential institutions, housing schemes and nursing homes, to mention just a few.

From an SROI viewpoint, the private players are interesting since they are obliged to communicate clearly about what they do – and show that it has an effect. The better they are at documenting and describing the value they create, the better they will be able to attract citizens, staff and funding for the ongoing operations. The examples from Ireland, for instance, also show that the documentation is a source of marked professional pride among both management and staff. I have experienced how several staff members have enthusiastically described a newly developed and documented method, or a specific accreditation they have received. They are hereby also showing how a method such as SROI is not intended to exert more control – but to measure value and make it visible. We expect that in future there will be a greater expectation that public providers of social interventions also be required to ensure that the value they create is visible.

Being able to show their value presents many advantages for both public and private players – also in Denmark. Nonetheless, only around one in ten invitations to tender on the Danish National Board of Social Services' procurement portal subject outcomes to systematic follow-up, and also describe this follow-up. In other words, we are behind the times in Denmark when it comes to documenting what we do. This is related, among other things, to our culture of trust, our lack of instruments, the limited interest in such instruments (until recently at any rate) and, not least, our limited data.

As a result, we annually spend billions on interventions of which we do not know the effect. Even when the interventions do work, we very rarely compare the outcomes with the economic aspects. I am therefore in no doubt that the tendency to document value we can currently see in such countries as Canada, Eire, the UK and the USA will also win ground in Denmark. There will be more intense competition to communicate the value of various interventions, and a fight to prove their worth.

PROFESSIONAL PRESENTATION TO FRONT-LINE EMPLOYEES

In cases where an SROI analysis is focused on the front-line employees who perform a given intervention, the dissemination of the analysis should typically be centred on the professional results of the intervention, as well as specific examples of how the efforts generate a return on investment. Dissemination to front-line employees can thus be

based on the following clarifying questions, which are all focused on the effects of the professional intervention:

- Is there agreement between the programme theory applied and the results seen in the analysis?
- Which elements of the intervention are especially important to achieving good results?
- Do we have sufficient knowledge of the intervention's outcomes, and how we can work in future to obtain this knowledge?
- How can we use (new) indicators in a way that is also worthwhile in the front-line employees' day-to-day work?
- How is user-experienced quality represented in the analysis? Is it possible to improve the results?

By focusing the dissemination on these questions, an overview can be gained of the relation between interventions and the status of the target group's development. In addition, positive experience and successful interventions can serve as examples of how the return on investment can be maximised. This might be a case based on a description of a citizen's actual situation, or a similar situation.

SROI IN PRACTICE

Dissemination of return on investment

Rebild Municipality has very successfully disseminated the holistic intervention for vulnerable families, based on one of the families who benefited from the intervention. Here, the Municipality gives a brief description of the family's situation and the results of the intervention for the family members, as shown

in the Figure, which illustrates a typical family of four.

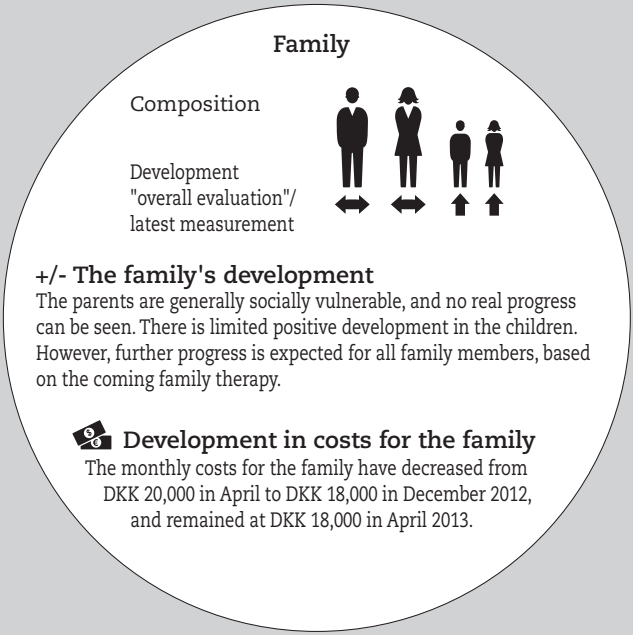

Figure 29: Development in an individual family.

This dissemination strategy has been used in several instances when politicians and experts have been gathered to discuss social interventions and their outcome. By highlighting real interventions and real families with real problems, an otherwise abstract prioritisation discussion can become more relevant, immediate and concrete.

Besides the simple dissemination of results, value can also be documented using citations from interviews with stakeholders. Citations of this type, which supplement the re-

sults of the actual analysis, have been used in the GRIT programme, for example.

SROI IN PRACTICE

What do the participants think?
Interviews with the vulnerable young people who participated in the GRIT programme have given them the opportunity to describe the strategies that they learned from the programme.

Here are some of their answers:

- "I use them in school every today – participate much more, without being shy."
- "I push myself more now than before, and can handle more."
- "I've more confidence in myself now."
- "I learned that we can all have bad days, and now I can better understand and help others as well as myself."
- "I've got better at listening to and understanding other people."

The participants also describe the importance of the intervention to their view of the future:

- "Now I hope that I can finish school and hopefully join the army."
- "I want to finish school, get good grades and go to technical college."
- "I've started to work with young people, as a volunteer. I hope I can use this to get a job later."
- "I want to keep my part-time job and hopefully in the longer term get a full-time job."

Another effective dissemination strategy is to present the quantitative results of the analysis. This might be the results of the outcome indicators set up, the results of any questionnaires, or key targets such as increased employment or fewer criminal convictions. While cases and personas can concretise the intervention, the quantitative results can paint a broader picture of the return on investment and the general results.

In connection with the development of the documentation of results in the children and adolescent area, Deloitte developed simple diagrams to show the development for children and adolescents in relation to key factors such as health, schooling and learning, leisure time, development and behaviour, family circumstances and family relations.[21] The diagram in Figure 30 thus shows the proportions of children and young people who have experienced positive development, no development or negative development, respectively, since the previous measurement.

In the same way, a questionnaire survey can be presented using simple graphic diagrams. Figure 31 shows the questionnaire results for the GRIT participants who were asked to state how far they agreed or disagreed with a number of statements concerning the outcome of the programme.

21 Deloitte for the Danish National Board of Social Services: "Resultatdokumentation på børne- og ungeområdet". (Documentation of results in the area of children and young people) Model description (2013).

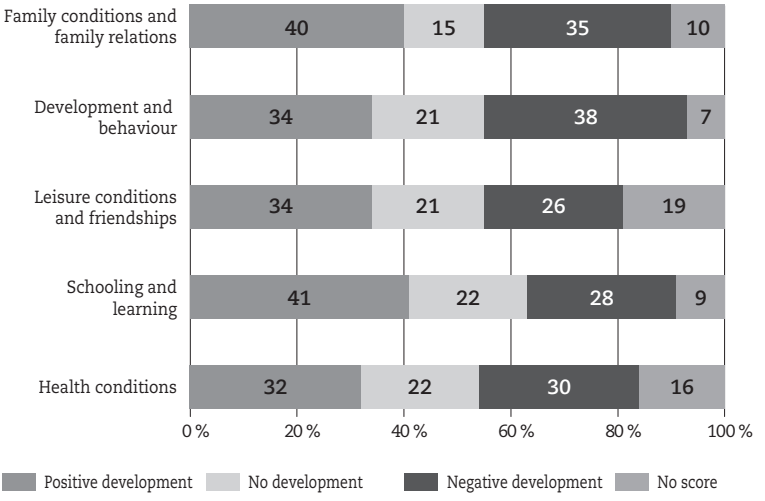

Figure 30: Example of dissemination in the children and young people area.

Dissemination of the return on investment, as shown in Figures 30 and 31, can help to emphasise the value created for the target group, and also show the experts involved what actually works. Dissemination can thereby support a common understanding of how a good intervention can be achieved.

To qualify an SROI analysis, it can be followed up with expert discussions in order to ensure that new ideas or changed procedures are anchored in the organisation. If the analysis challenges the fundamental assumptions concerning how or why a specialised intervention works, it is particularly important to substantiate this dissemination with sound professional expertise.

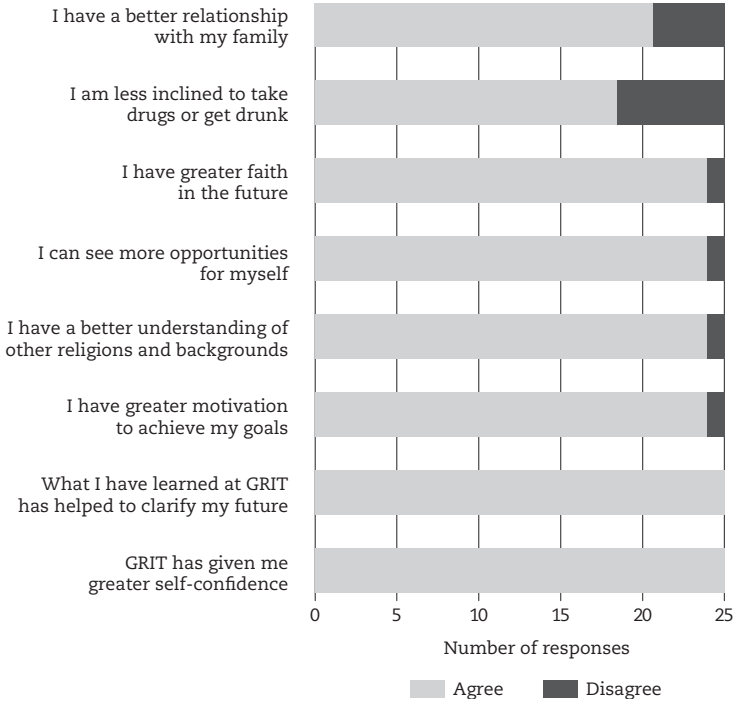

Figure 31: Questionnaire survey from the GRIT programme in Ireland.

INFORMATIVE PRESENTATION FOR DECISION MAKERS

Return on investment naturally not only expresses whether an intervention works, but can also illustrate whether political objectives are achieved. We can see a tendency for more specific targets to be set for the outcomes of social interventions. This can be seen, for instance, from the Danish Government's 2020 objectives for the social welfare area that were set in 2013. The objectives focus on various target groups, such as vulnerable children and young people, the homeless, and victims of domestic violence. The objectives

include that by the age of 25, at least 50 per cent of vulnerable children and young people have completed upper secondary education, and that the ratio of failed care placements is reduced by at least 30 per cent.[22] Besides the 2020 social welfare objectives, the Danish Government has set the objective that 95 per cent of a youth cohort must complete upper secondary education.[23]

Many municipalities work with equivalent political objectives, but there is considerable variation in how clear and operational the objectives are, and how they are followed up. We expect that the coming years will see greater focus on the returns of social interventions at all levels. In this respect, analysing returns on investment can provide an important knowledge and prioritisation basis in relation to both setting up and following up on objectives.

We recommend that the dissemination of a return on investment analysis at the political level be centred on a number of key issues:

- What is the return on investment from a given intervention in a long-term perspective?
- Does the outcome match the investments that are necessary in order to achieve the intervention?
- Is the intervention based on the best knowledge currently available?
- Does society get enough for its money from the current intervention and is it still a good idea to implement the intervention?

22 The Danish Government: "Alle skal med – Målsætninger for de mest udsatte frem mod 2020" (Everyone must be included – Objectives for the most vulnerable towards 2020) (2013).

23 Danish Ministry of Education: www.uvm.dk/I-fokus/95-procent-maalsaetning.

- Do new interventions create greater returns than the existing interventions, and should the array of interventions therefore be prioritised differently?

Based on these questions, municipal councils, for example, can take political ownership of the development of social welfare policy and set out aims and guidelines for the work. An analysis of social return on investment compares the results with the costs involved and thereby provides knowledge of how the economic means can best be utilised, ensuring more and better social welfare.

Below are a number of examples of how the interventions' results can be presented. A good dissemination strategy to illustrate cost effectiveness is to link results and costs to the individual intervention. In Figure 32 we compare the results and costs related to interventions for children and young people. The curve gives an overview of the municipal costs of various interventions, while the columns reflect the results; in this case the development in function level for children and young people who have been subject to these interventions.

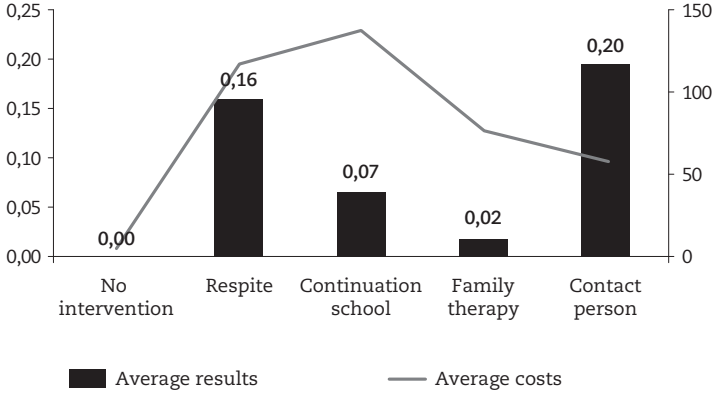

Figure 32: Results and costs of interventions for children and young people, distributed on interventions.

It can also be relevant to be familiar with the development of children and young people who are placed in care or subject to preventive measures. Figure 33 shows the proportions of children and young people who experience positive development, no development or negative development, respectively, after an intervention.

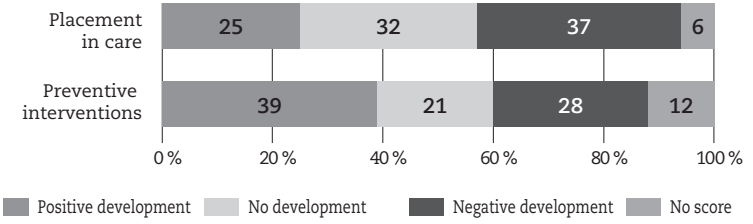

Figure 33: Results distributed on placement in care and preventive interventions.

In another context it may be relevant to present the development compared with the prices of various interventions. In Figure 34 we compare two families, where the child in one family has been taken into care, while the other family is receiving family therapy. The results are shown as the development in the child's function level and absence from school, which are normally seen as good indicators of whether the child is developing positively. This is not an actual SROI analysis, but a comparison of development and price, as the basis for prioritisation.

	Price per month	Development in the child's function level on a scale from 0 to 4	The child's absence from school per month
Family 1: in care	DKK 85,000	None	8 days
Family 2: family therapy	DKK 15,000	Positive (0,2)	2 days

Figure 34: Results and costs for different families.

Finally, the dissemination of social return on investment can naturally also include the specific SROI ratio. Figure 35 shows how this type of calculation can be disseminated. In our example, a municipality conducts a three-year intervention for a group of vulnerable adolescents, with focus on strengthening their self-esteem, social competences and motivation. In the first year, there are costs of DKK 1.2 million and no returns in the first year. On the other hand, the intervention has considerable outcomes for the young people in the following years. This gives them greater self-esteem, just as more of them complete their training or education, and in the longer term most of them get jobs. After four years, the costs have been recovered (whereby break-even is reached) and after six years the intervention has proved to be a good investment. The overall return after six years is DKK 3.9 million, while the total costs amount to DKK 2.2 million. Dividing the two figures by each other gives the SROI ratio: for each krone invested in the intervention, DKK 1.77 has been recovered.

	Cost	Annual return	Total net return	Total ratio
Year 1	1,200,000	0	-1,200,000	-
Year 2	500,000	400,000	-1,300,000	1:0.24
Year 3	500,000	800,000	-1,000,000	1:0.55
Year 4	0	1,000,000	0	1:1.00
Year 5	0	900,000	900,000	1:1.41
Year 6	0	800,000	1,700,000	1:1.77
Total	**2,200.00**	**3,900,000**	**1,700,000**	**1:1.77**

Figure 35: Three-year intervention for vulnerable young people.

In addition to the above graphic presentations of the results, at the political level it may be relevant to illustrate economic scenarios using personas. As we have previously described, personas are based on fictive characters and knowledge of the target group from professional experts and statistics, for instance. This makes them especially suitable to show the challenges faced by a particular target group, and the return on investment that can be achieved from an intervention. As an example, we can return to the persona of Jane, whose situation we described in Chapter 1.

Scenario: Jane Intervention: Compulsory education combined with a scheme under the Danish Social Services Act, as well as practical training	
Situation	Jane is 21, a single mother, with no education beyond lower secondary school. She has had various unskilled jobs of varying duration and currently receives social security benefits, which she has done for four months. Jane has debt and finds it hard to manage her finances.
Statutory	Under the Danish Act on Active Employment Measures, Jane must be offered a course of compulsory education. She decides that she would like to train as a social and healthcare assistant and is accepted by the college. Jane drops out after two months. The college does not live up to her expectations and she finds it hard to concentrate due to her financial difficulties and problems coping with everyday routines.
Alternative	The municipality sends Jane on a course in planning and managing private finances, under Section 85 of the Danish Social Services Act. In order to motivate Jane to resume her social and healthcare assistant training, the municipality offers Jane a four-week practical training position at a nursing home.
Potential outcome	Jane gets her personal finances under control and no longer has to worry so much about debt and bills. She completes her social and healthcare assistant training and then gets a job in a nursing home.
Potential economic outcome	The costs of the resources spent amount to DKK 166,910. The annual return after progressing from social security benefit to ordinary employment can be stated as DKK 237,600.

Figure 36: The persona Jane.

Whether the results of an SROI analysis are to be disseminated to front-line employees or decision makers, the form and content should always be considered carefully. There is a risk of spending a lot of time and many resources on a complex, value-creating analysis, without giving sufficient priority to communicating and anchoring the results. Far too many analysis results thus end up in a drawer or in a pile on a desk, instead of being used actively to improve practice.

When communication is planned, it is important to be aware of the target group's perspectives and interests, in order to target the communication on the best possible basis. In this chapter we have presented a number of considerations that are important in the approach to front-line employees and decision makers, although the results of an SROI analysis may be relevant for many other stakeholders, such as business associates, private players, various contributors, the press, or society at large.

Irrespective of the target group, it is always a good idea to keep the messages simple and to highlight the essence of the analysis, after which the recipient is naturally free to spend time on studying the analysis' basis, methods and results in closer detail. In this respect the concept of "essence" not only signifies the key conclusions of the analysis, but also the manifestation of these conclusions via cases, graphic presentations or stories from real life. There is no doubt that an SROI analysis must naturally be based on facts and logically-structured arguments, but behind the facts there are always people, and these people's lives have had ups and downs, triumphs and failures, with the hope of a better life. Their stories can add a human face to the numbers and arguments, making the SROI analysis dynamic and relevant. In the final analysis, these stories are the key aspect when we ask each other the big question: Is it worth it?

CHECK LIST FOR DISSEMINATION OF RESULTS

- ✓ Is the dissemination focused according to the target group?
- ✓ Are the results disseminated precisely and clearly?
- ✓ Do we use citations, cases or personas in our presentation of the results?
- ✓ Are all of the results described at different levels?
- ✓ Have all relevant prerequisites, assumptions and limitations to the analysis been presented?

READ MORE

- Deloitte for the Danish National Board of Social Services: "Resultatdokumentation på børne- og ungeområdet" (Documentation of results for the children and young people area) (2013)
- The SROI Network: "A Guide to Social Return on Investment" (2012)
- New Economics Foundation: "Small Slices of a Bigger Pie: Attribution in SROI" (2011)
- LGDK: "Investér før det sker – sådan sætter vi handling bag ordene" (Invest before it happens – how we put the theory into practice) (2013)
- Hansen, Kasper Møller: *Borgerinddragelse – et studie af borgerinddragelsen i regioner og kommuner* (Citizen involvement – a study of citizen involvement in regions and municipalities). Syddansk Universitetsforlag (2009)

EPILOGUE: SOCIAL RETURN ON INVESTMENT AND THE WELFARE OF THE FUTURE

"Evidence is just common sense" wrote Manu Sareen, Danish Minister for Children, Gender Equality, Integration and Social Affairs, in a contribution dated 10 April 2014 on altinget.dk. He continued: "In practice this means that whenever we spend time and money in the social welfare area, we must take the trouble to do this in the way that we know will have the best outcome. Without sufficient documentation in the social welfare area, we risk that the intervention either does not work, or does more harm than good. This is of no benefit whatsoever to the child in care, or to you and me as taxpayers."

This book is based on the same philosophy: Evidence *is* common sense. In fact, knowledge of what works is actually necessary in order to do our best in the social welfare area, where the interventions available are all too often based on entrenched habits, unqualified estimates or decisions made on the basis of short-term parameters, without considering how alternative interventions can create far more value in the longer term.

Analyses of *social return on investment* are a good instrument that can help both municipalities and other public and private players to develop the quality of the social welfare area and find new solutions that can ensure the social welfare of the future.

There are several reasons that these instruments are needed. First of all, social welfare activities concern so many people in Denmark that we need to know what works, and what we get for our money. In other words, we have both an economic and an ethical obligation to deliver the best possible interventions to help the socially vulnerable. We owe it to both them and the taxpayers to prioritise the interventions that work best, and create most value for money.

Secondly, the demand for social interventions is increasing year by year. The municipalities already face a shortage of resources and are forced to make cuts and set priorities between, for example, care of the elderly, schools and childcare institutions and, not least, the vulnerable and underprivileged. The overall costs in the social welfare area have been increasing for many years. It is therefore vital that we as a society achieve the best possible return from the funds invested.

Thirdly, it has become easier to analyse social return on investment. Even though there are still many gaps in our knowledge and a lack of data, we can see how research and new methods are increasingly being integrated into programmes and interventions. One example is the adult investigation method, which on the basis of shared concepts and targets paves the way for extensive knowledge assimilation in the adult area. Yet it also concerns new opportunities to use various IT solutions to obtain complex data sets from different sources.

Last, but not least, documentation of outcome is a universal language that not only unites the social welfare area,

but also extends to other professional groups and cross-disciplinary research. If we can show which interventions actually work, it will be increasingly possible to cooperate across traditional divides and find shared cross-disciplinary solutions. At the same time, the SROI analyses can also give employees insight into other professional groups' areas of expertise, so that shared programme theories, objectives and procedures can be developed – which are all necessary in order to create more value.

DRAWBACKS OF SROI ANALYSES

SROI analyses are useful tools to document value. Yet the method also presents certain practical and theoretical challenges. Like all other methods, SROI analyses are also often subject to criticism. This criticism must be taken seriously, yet we should not be dissuaded from using the method. It is always important to justify the relevance of SROI analyses in relation to a given intervention, just as it is always important to stay abreast of any challenges.

Here are three criticisms that are often voiced concerning SROI analyses:

Criticism no. 1: It is time-consuming and expensive to perform an SROI analysis.

Is it expensive and time-consuming to perform a full SROI analysis? Yes, definitely – but a less comprehensive analysis is also possible. No one says that an SROI analysis must be performed from start to conclusion. Instead, sub-elements from the analysis framework can be used. These sub-elements might be stakeholder involvement, a number of easily accessible indicators, or merely a provisional programme theory that clarifies the most basic causal relationships between intervention and outcome. Even a sim-

ple before and after measurement can in many cases contribute to significantly increasing our knowledge concerning an intervention. Even in its simplest form – such as setting up a persona – the SROI method can help to unravel the complexity and shed new light on the value of an intervention.

Criticism no. 2: Humanism versus an evidence-based approach

Many specialised professions within the social welfare area are rooted in a strong humanist tradition. In such an environment, there may be a certain reluctance to reduce social conditions to individual causes and effects, just as the idea of regarding work in the social welfare area as an investment often leads to doubts and scepticism. In this context it comes as no surprise either that the debate concerning evidence in the social welfare area can lead to vehement discussion among professionals and stakeholder organisations. One argument is that worthwhile social welfare interventions are created in the relation between citizen and employee, and that this relationship of trust cannot be measured or put into a formula. Other sceptics believe that social welfare interventions are generally too complex and intangible to be measured.[24]

As strong proponents of evidence, we would like to emphasise that SROI is *not* exclusively a quantitative evidence tool. As the examples in the book have shown, the qualitative data collection and stakeholder involvement are important elements of any analysis. Using an SROI analysis, not only can we document *whether* an intervention works, but also *why* it works and *how* it might perhaps be performed better. Insight into these factors should be of inter-

24 See, for example, the discussions concerning evidence in the Danish trade periodical *Socialpædagogen*, 13 May 2005.

est to all of the parties involved, if we lower our professional guard a little.

Criticism no. 3: Fears of more control.
Many front-line employees who work with social welfare interventions on a day-to-day basis do not care to be subject to more control. Part of this fear is probably related to a large number of new public-management inspired initiatives that for many years have contributed to increasing control mechanisms and management by objectives. Even the typical top-down dissemination of these initiatives can lead to a certain anxiety about new ideas or methods. However, analyses of returns on investment extend far beyond control and are first and foremost a tool for development and learning. An important initial step in an SROI analysis is therefore to prepare the ground *before* the actual implementation, so that employees understand that both they and the recipients of the social welfare interventions are certain to benefit from greater knowledge of which interventions actually work. Detailed regulation will be superfluous if a profession can demonstrate that its work actually yields a positive return.

DOCUMENTATION CREATES VALUE AT SEVERAL LEVELS

Throughout this book we have emphasised the importance of involving employees in the process. This not only achieves a broader and more precise assessment of interventions, but also creates reflection among both decision makers and practicians concerning resources versus outcomes. All other things being equal, it is the public sector's responsibility and obligation to seek to systematically collect knowledge as the basis for the assessment of interventions. The result is not more control but, on the contrary,

that both employees and managers can fairly and squarely explain why they act as they do.

The Danish public sector is strong, with dedicated employees. To continue to ensure quality and positive change for citizens and society, we must set the agenda and take the lead in a constant process of change towards new and better interventions. This requires both the knowledge and the will to change the customary ways of doing things.

We hope that with this book we have helped to show a little of the way.

READ MORE

- Altinget: "Evidens er bare sund fornuft" (Evidence is just common sense), 10 April (2014)
- LGDK: "Investér før det sker – sådan sætter vi handling bag ordene" Socialpolitisk udspil" (Invest before it happens – how we put the theory into practice. Social-policy intervention) (2013)
- Mandag Morgen: "Virker velfærden? Et debatoplæg om evidens og velfærd" (Does welfare work? A discussion paper concerning evidence and welfare) (2005)