



Communities for Children Program - Social Return on Investment Forecast Analysis

UnitingSA

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EXECUTIVE SUMMARY

Social impact measurement tools are gaining more attention within public and private organisations around the world. Understanding impact with novel evaluation tools is becoming crucial for different types of agencies that wish to measure the social value they bring to their communities. Also, the process that accompanies measuring impact comes with a deep comprehension of the different factors involved in a program; stakeholders, inputs, outputs, outcomes and resources are put under the spotlight when evaluating a program, informing decisions, engaging the most relevant players and preparing strategic models.

UnitingSA has decided to embark on an evaluation journey that explores different aspects of its organisation. Nova Smart Solutions worked on a six-month Social Return on Investment (SROI) analysis with UnitingSA to facilitate and guide this journey. The program evaluated was Communities for Children (CfC), a program designed by the Department of Social Services (DSS) for which UnitingSA manages funds and plays a facilitator role for a group of eleven organisations known as Community Partners.

The main purpose of this analysis was to forecast CfC's social impact in the north-west region of Adelaide and to determine the return from investing in outcome-focused activities delivered by diverse community partners.

Using Social Return on Investment methodology, we explored the scope of the project, identified stakeholders, mapped outcomes, gave them value, established the impact and calculated the ratio for the costs incurred and the benefits received by the community.

There were many challenges in this analysis due to its complexity in terms of number of stakeholders involved and the various activities that we analysed. On the one hand, stakeholders varied from NGO's, Federal and State Departments, Local governments and UnitingSA itself to kids, parents and community members in general. On the other hand, each of the Community Partners delivered a set of activities targeted at different results and while this created a

big list of outcomes, they all targeted similar goals. Its similarities allowed us to categorise them within the DSS Data Exchange list of outcomes.

On top of this complexity, we were also exposed to traditional challenges faced when conducting an SROI such as involving stakeholders in interviews, creating and validating assumptions, translating insights into numbers, making sense of complex social issues and following the SROI's seven principles.

But maybe the toughest challenge was to capture, synthesise and compile an impact map for each of the Community Partners in order to create a single CfC impact map. This task was necessary to understand all of the activities delivered and the inputs, outputs and outcomes involved for every single Community Partner. This process showed the complexity that a program such as Communities for Children represents for all stakeholders involved and also the reach it can have.

The final outcome of this project was the ratio that shows how the programs social benefits compare to its costs. Based on our analysis and the assumptions validated with key stakeholders, we concluded that the forecast for every dollar invested in Communities for Children the North West Adelaide community would return a total of **3.28** dollars.

INTRODUCTION

UnitingSA commissioned Nova Smart Solutions to complete a Social Return on Investment analysis of the Communities for Children (CfC) program. This paper provides an overview of the study methodology and its findings.

UnitingSA

To introduce this document and fully contextualise it for the reader, we will briefly present UnitingSA's range of programs, its vision and mission.

UnitingSA is a community service agency of the Uniting Church in Australia and forms part of the national UnitingCare network. Every year, UnitingSA supports more than ten thousand people to whom a wide range of services are offered across aged care, community welfare and employment services.

The vision that derives from providing programs across these categories is a *compassionate, respectful and just community in which all people participate and flourish*. UnitingSA's mission is being an *influential and vibrant organisation providing services to the community and empowering people*.

To achieve this, UnitingSA centres its operation around four key values; Respect, Compassion, Courage and Integrity.

Communities for Children (CfC)

The Australian Government's Department of Social Services (DSS), has a set of activities that aim to improve family functioning, assist with family formation, prevent family breakdown, enhance family functioning and support parents to care for their children. The Communities for Children (CfC) program implements these activities.

CfC Services provide prevention and early intervention services to families with children up to the age of twelve. Services are targeted to bring about positive

family functioning, safety and child development outcomes for children and their families in disadvantaged communities.

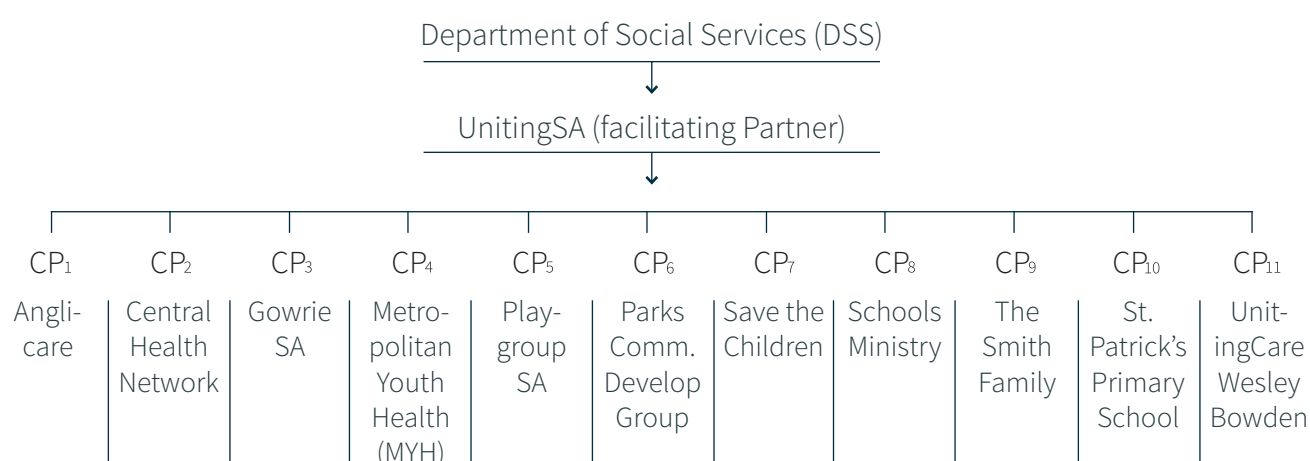
In order to deliver such services, the Department of Social Services designed a model in which either a “Facilitating Partner Service” develops and facilitates a community approach to support and strengthen local service networks that contribute to child safety or a “Direct Service” that provides activities directly to individual services to deliver early intervention and prevention family support, tailored to the needs of the local community.

UnitingSA falls in the first category. Hence, UnitingSA is a Facilitating Partner within the CfC program. Through the Department of Social Services, Facilitating Partners fund other organisations (known as Community Partners) to provide services including parenting support; group peer support for children, families or carers; case management; home visiting services; and other support to prevent child abuse and neglect.

During the time analysed (Financial year 2016-2017), UnitingSA facilitated the delivery of these services through the following eleven Community Partners (CPs):

- | | |
|--------------------------------------|----------------------------------|
| 1. Anglicare | 7. Save the Children |
| 2. Central Health Network | 8. Schools Ministry |
| 3. Gowrie SA | 9. The Smith Family |
| 4. Metropolitan Youth Health (MYH) | 10. St. Patrick's Primary School |
| 5. Playgroup SA | 11. UnitingCare Wesley Bowden |
| 6. Parks Community Development Group | |

DIAGRAM 1



Each of the Community Partners deliver programs that are aligned with both, UnitingSA's and the DSS's values and aim to help families in disadvantaged communities.

Under this context, Nova Smart Solutions was commissioned to perform an outcome-based analysis to determine the SROI for the Communities for Children program.

The following document is structured in such way that it presents the first five stages of a Social Return on Investment. There is a specific section for each of them, and they include (1) establishing the scope and identifying stakeholders, (2) mapping the outcomes, (3) evidencing outcomes and giving them value, (4) establishing impact and (5) calculating the SROI.

We have used a storytelling approach to make this document more fluent and accessible to more audiences. Even when we explored a more technical approach, we decided that telling the story of how we progressed from stage to stage would make more sense to the reader. It is important to mention that using this style did not mean neglecting the rigour that a quantitative analysis, such as an SROI, requires to be reliable and actionable.

It is Nova's will and objective that this report leads to discussion and debate between readers and peers in similar organisations that aim to tackle social issues and measure impact. We strongly believe that the process of preparing a Social Return on Investment is just as strong as its final outcome (cost to benefit ratio). Organisations that are exposed to this kind of analysis are subject to internal and external scrutiny that can turn into changes in strategy for data collection and of program delivery.

We hope you enjoy reading the following analysis and make the most out of it.

STAGE 1

ESTABLISHING SCOPE AND IDENTIFYING STAKEHOLDERS

Establishing the scope and recognising which stakeholders would be part of the analysis helped us contextualise the landscape and to define the next steps clearly.

Establishing the Scope

During this stage, we involved UnitingSA and Community Partners to define the reach and scale of the analysis. We broke down the different elements that helped us establishing the scope based on a common practice for a Social Return on Investment Analysis.

The seven elements are:

1. Purpose
2. Audience
3. Background
4. Resources
5. Activities
6. Time Period
7. Forecast or Evaluation.

Based on interviews with Community Partners and the Facilitating Partner (UnitingSA), we defined that the **purpose** of this analysis was to forecast CfC's social impact in the north west region of Adelaide and to determine the return from investing in outcome-focused activities. Also, the intention of having an SROI in place would assist in building on existing CfC program evaluations that have been developed by other stakeholders.

Given that the process of preparing an SROI involves reviewing data collection strategies and going over outcome definitions, this exercise will help polish the process of engaging the final CfC users to gather insights and define the expected and unexpected results of the program.

With the goal of defining the purpose of this report, UnitingSA understands that having a quantitative analysis may help improve and secure future monetary resources from funding bodies that require hard evidence to demonstrate social impact.

After defining the purpose of this project it was important for us to define who would be the main **audience** of this report. Being a Facilitating Partner puts UnitingSA between a varied set of internal and external stakeholders from public and not-for-profit sectors mainly. We concluded that the stakeholders that this report would be more appealing to include the eleven Community Partners, the Department of Social Services and possibly members of the community interested in this kind of analysis.

Having an understanding of UnitingSA's **background** to contextualise the following steps in this research was crucial to the methodology of this report.

UnitingSA supports more than 10,000 people every year. The organisation has broad objectives that include a range of services such as aged care, mental health, employment and homelessness. Over the past few years, UnitingSA has implemented a combination of tools to define outcomes and establish change in its community. Results Based Accountability, Program Logic and Theory of Change are some of the tools used by UnitingSA to assess the wide variety of activities that it provides under the umbrella of the Communities for Children (CfC) program.

The CfC program provides early childhood development initiatives that support the health and early development needs of young children aged 0 to 12 years, assists parents and builds child friendly communities.

The final outcome of an SROI analysis is a ratio that represents a balance between the costs and benefits of a specific program. Behind the analysis of inputs (costs) and benefits (outcomes) there is an issue that drives organisations to evaluate their programs and improve their service delivery. In the case of UnitingSA, we jointly framed the issue that this analysis will help tackle within the following three questions:

- 1. How can UnitingSA develop a child friendly community that works together, that is inclusive and welcomes everyone?*
- 2. How can UnitingSA create safer spaces for children to reach and achieve their full potential?*
- 3. How can UnitingSA support children's development to overcome parent and caregivers' social isolation, perinatal depression and anxiety, financial vulnerabilities, access to preschool services, parents' low literacy skills, chronic stress and trauma in early childhood, limited access to education outside school?*

Based on the background and the issue framing, it is important to understand the availability of UnitingSA's **resources**.

More often than not, resources are limited. In UnitingSA's case, this is not an exception. Time, monetary resources and data availability are some of the constraints on framing the scope of the analysis. In the case of this external analysis, we identified that UnitingSA could allocate four hours per week to focus on this report. Also, we discovered that it was common practice to collect data about the services delivered via the CfC program.

UnitingSA collects data for internal and external purposes within the Communities for Children (CfC) program. Internal data is collected via the Community Partners and reported back to UnitingSA. This data includes:

- **Ad-hoc data collection (focused on outputs)** - This information is collected when new end users start working in a program delivered by a CP (e.g. First/ Surname, DOB, Gender, Postcode, Indigenous status, CALD Status, Disability Status, Consent)
- **Regular data collection (focused on outputs and outcomes)** - Fortnightly collections during each the sessions that CPs work at (e.g. session attendance, type of service received, date of service).
- **Overall program data (focused on outcomes)**. Every CP has the responsibility of collecting outcome data at the start, middle and end of each program to capture the progress and impact that each service is having on the end users.

Currently, UnitingSA is transitioning its data collection strategy to include more questions that target reasons for seeking assistance, referral source, and referrals made to another service. Also, this new set of questions will focus on understanding household income, composition, language spoken at home, country of origin and length of time in Australia.

Within this data collection process, there are also questions to evaluate the quality of the services and satisfaction of final users. Finally, some of this data is collected to report back to Communities for Children funder, the Department of Social Services.

For this analysis, we used mainly the resources of time and data. UnitingSA's staff members assigned to this analysis would contribute with time and expertise to define and shape different stages of the SROI analysis. The data collected around outputs and outcomes would be essential to refine and build the impact maps in further analysis of this report. Furthermore, UnitingSA has an existing logic model definition for most of the activities delivered within the CfC program.

After defining the resources, it was important to define the set of **activities** in which the analysis would focus on. For this SROI, we focused on those activities delivered by Community Partners that have a clear program logic model. Through these activities we measured how the Communities for Children program delivers early childhood development outcomes to support the health and early development of children aged 0-12 years.

Based on this information (purpose, audience, background, resources and activities), we collectively decided to do a **forecast analysis for a period of time of three years**. Even when there is data collected and a program logic model for many of the activities serviced by the analysed program, we believe it is better to re-define and 'polish' outcomes based on UnitingSA's strategy for the upcoming years.

Having these elements in place, we shaped the scope of this project as follows:

Prepare a Social Return on Investment analysis to measure the social impact of the Communities for Children program in North West Adelaide for which UnitingSA is the Facilitating Body.

This SROI will focus on specific activities. There are activities that will be removed by UnitingSA from this analysis due to a lack of information.

This analysis will measure how the Communities for Children Program delivers early childhood development outcomes to support the health and early development of children aged 0-12 years.

The framework will be a 3 year forecast evaluation.

Mapping Stakeholders

It is a critical part of this analysis to grasp and understand the impact that we believe CfC is having on different players or stakeholders. Also, we want to make sure we identify those stakeholders that somehow are influenced or have an influence on the final outcome of the program.

One of the many examples is UnitingSA that, as a Facilitating Partner, has a positive impact on the delivery of this program. For that reason, we have included it within our analysis and involved the organisation along the process through holding regular meetings, filling templates, sharing valuable information with Nova.

The following table is a list of the stakeholders, the impact each one of them generates and the involvement method.

TABLE 1. LIST OF STAKEHOLDERS

Stakeholder	Positive or negative impact and explain	Included / excluded	Method of involvement
UnitingSA	Positive. Facilitating partner of CfC.	Included	Regular meeting, completing templates, sharing of information via email and telephone
Anglicare	Positive. Receives funding for activity and training	Included	Workshop
Anglicare - clients	Receive services - effect unknown, mostly positive, impact based on method to measure outcomes	Excluded	NA
Central Health Network (CHN)	Positive. Receives funding for activity and training	Included	Workshop/ face to face interview
CHN - clients	Receive services - effect unknown, mostly positive, impact based on method to measure outcomes	Excluded	NA
Gowrie SA (GSA)	Positive. Receives funding for activity and training	Included	Workshop
GSA - clients	Receive services - effect unknown, mostly positive, impact based on method to measure outcomes	Excluded	NA
Metropolitan Youth Health (MYH)	Positive. Receives funding for activity and training	Included	Workshop/face to face interview
MYH - clients	Receive services - effect unknown, mostly positive, impact based on method to measure outcomes	Excluded	NA

TABLE 1. LIST OF STAKEHOLDERS - CONTINUED

Stakeholder	Positive or negative impact and explain	Included / excluded	Method of involvement
Playgroup SA	Positive. Receives funding for activity and training	Included	Workshop
Playgroup - clients	Receive services - effect unknown, mostly positive, impact based on method to measure outcomes	Excluded	NA
Parks Community Development Group	Positive. Receives funding for activity and training	Included	Workshop
PCDG - clients	Receive services - effect unknown, mostly positive, impact based on method to measure outcomes	Excluded	NA
Save the Children	Positive, Receives funding for activity and training	Included	Workshop
Save the Children - clients	Receive services - effect unknown, mostly positive, impact based on method to measure outcomes	Excluded	NA
Schools Ministry	Positive. Receives funding for activity and training	Included	Workshop/ face to face interview
Schools Ministry - clients	Receive services - effect unknown, mostly positive, impact based on method to measure outcomes	Excluded	NA
St Patrick's Primary School	Positive. Receives funding for activity and training	Included	Workshop

TABLE 1. LIST OF STAKEHOLDERS - CONTINUED

Stakeholder	Positive or negative impact and explain	Included / excluded	Method of involvement
St Patrick’s - Clients	Receive services - effect unknown, mostly positive, impact based on method to measure outcomes	Excluded	NA
The Smith Family	Positive. Receives funding for activity and training	Included	Workshop
The Smith Family - Clients	Receive services - effect unknown, mostly positive, impact based on method to measure outcomes	Excluded	NA
UnitingCare Wesley Bowden	Positive. Receives funding for activity and training	Included	Workshop/ face to face interviews
UCWB - Clients	Receive services - effect unknown, mostly positive, impact based on method to measure outcomes	Excluded	NA
Department of Social Services	Funding provider	Included - invited at least	Workshop

Based on the scope definition and the stakeholders identified for this project, we then defined the outcomes and framed them within an impact map that outlined inputs, activities, and outputs.

STAGE 2

MAPPING THE OUTCOMES

A clear scope and stakeholder definition allowed us to start mapping the outcomes for the CfC program.

This was a task that required stakeholder participation. We conducted 9 interviews with UnitingSA to draw impact maps for each of the Community Partners. These impact maps were based on information provided by the CPs and on field work conducted by UnitingSA.

An impact map provides an overview of the program and the interactions that happen between the previously defined stakeholders and other components like inputs, activities, and outputs. All these interactions are targeted at creating change for a specific cohort in the community. For CfC, outcomes are typically designed for children but the program also impacts directly and/or indirectly on parents.

From these interviews we built eleven different impact maps. Each of these with a clear definition of outcomes that were strongly intertwined with sets of inputs, activities and outputs that created a portrait of stakeholders' interaction with each other and how they work towards the same goal. Not only did we map the outcomes, but we also valued the inputs listed in each of the impact maps designed for each Community Partner.

Structuring over ten impact maps within the same program is not a common task for an SROI analysis. Nevertheless, having one for each Community Partner allowed us to build an overall CfC impact map.

Community Partners work with similar stakeholders towards very similar goals. This exercise produced a list of over 300 outcomes. Even so, we were able to identify common outcomes and cluster them using the Department of Social Services (DSS) Data Exchange Framework. This allowed us to classify outcomes within an established structure that CfC's main funding body uses to collect program reporting outcomes.

In total, the Data Exchange Framework lists ten outcome domains where

service deliverers can focus on attending to end users needs within DSS funded programs. We identified that the CfC program mainly targets five outcomes out of this list, namely:

- 1. Mental health, wellbeing & self-care
- 2. Age-appropriate development
- 3. Community participation & networks
- 4. Family functioning
- 5. Employment, education & training

On top of these five outcomes, we included additional ones that were not on the DSS list but we considered important based on conversations with different stakeholders and the process of building impact maps. *Improving parenting skills* is an outcome that repeatedly came up when working on the mapping outcomes process. Also, it was important to include outcomes like *Expanding CPs capabilities* to have a complete overview of the impact that CfC as whole is trying to achieve.

The following extract provides an example of how the categories were assigned:

TABLE 2. MAPPING AND CATEGORISING OUTCOMES

Outcomes	DSS Outcomes category
Improved child parent interaction and relationships	Family functioning
Parents connected to services	Community participation & networks
Improve family functioning	Family functioning
Improved quality of interactions	Family functioning
Improved quality of play	Age - appropriate development
Better support of emotion and behaviour	Age - appropriate development
More support for more people	Community participation & networks
Child wellbeing	Age - appropriate development
Family safety (for parents and children)	Family functioning

TABLE 2. MAPPING AND CATEGORISING OUTCOMES - CONTINUED

Outcomes	DSS Outcomes category
Family interactions (for parents and children)	Family functioning
Home environment: Finance; income; housing; food; transport	Family functioning
Social support: relationships; motivation; access to support	Community participation & networks
Parental capabilities: Mental health; AOD; Support Child Development	Mental health, wellbeing and self-care
Improving Parenting Skills	NA

Based on the information above, we summarised the eleven impact maps in a single map. It is important to mention that while this overall version does not show specific details of the activities delivered by each of the CPs, it does give a clear overview of all the components of the impact map.

TABLE 3. COMMUNITIES FOR CHILDREN IMPACT MAP

Stakeholder	Inputs	Activites	Outputs	Outcomes
Children	Time dedicated to CfC program	Participate in programs delivered by CPs	880 total children	Family functioning
		Meet new children		Community participation & networks
				Mental health, well-being and self-care
Parents/Caregivers	Time dedicated to CfC program	Participate in programs directly and indirectly	Number of sessions: 1,102, number of parents: 521	Employment, training & education

TABLE 3. COMMUNITIES FOR CHILDREN IMPACT MAP - CONTINUED

Stakeholder	Inputs	Activities	Outputs	Outcomes
Parents/Caregivers	Transport	Travel to attend program	15,000+ trips	Age-appropriate development
				Parenting skills
CPs	Physical spaces/ venues	Deliver programs in venues	11 CPs	Improve reputation of program deliverers
	Know how	Training/ Workshops	11 programs within 4 priorities	
	Staff (Admin., Operational & Mngmt)	Engage the communities	1,102 sessions with client	
			4 training sessions with UnitingSA	
	Referrals	Refer clients to other programs	Strengthen network	Reach more CfC outcomes
DSS	Money	Fund CPs	1 annual funding process to Facilitating Partner	Fund evidence based programs
Community (local govts, neighbours, other ngos, other state govt)	Venues			Improve community's wellbeing
Volunteers	Time	Help deliver CfC Activities	Work with children	Improve skills as a volunteer
UnitingSA	Know how	Interact with CPs	1 resource manager	Improve reputation of program deliverers
	Staff (Admin., Operational & Mngmt)	Engage the communities	4 training sessions	
		Training/ Workshops		

STAGE 3

EVIDENCING OUTCOMES AND GIVING THEM VALUE

At this point we have identified and valued the inputs used, mapped and described each of CPs outcomes affecting the stakeholders, and the activities and outputs of the CfC program.

Based on the work done in Stage 2, in this section Nova evidenced the outcomes the CfC program pursued and gave them a value.

Outcome Improvement?

An important point here is to understand whether an outcome denotes improvement for the client or not. Outcome indicators suggest if an outcome has occurred or not. It helps to verify that the change has happened and to what degree it has occurred. As we conducted a forecast evaluation, we did not collect current data of the outcome indicators. In this case, it was assumed that on average, end users experience an improvement of 50% in the final outcome after participating in the program.

Some of the Community Partners could argue that CfC clients are experiencing higher than 50% impact, but in the absence of evidence, we made a conservative assumption based on the principle of not over claiming.

Outcomes Impact Duration

After an intervention is delivered, the effects of some outcomes can last longer than others. In some cases they can last for many years after the intervention has stopped. In other cases, the outcomes impact may depend on the intervention that is being delivered.

The CfC Program is an early intervention program that aims to provide long term support to parents and children. The outcomes of the early intervention activities under analysis are intended to provide enduring lifelong skills and tools for children, communities and parents.

While we acknowledge that in some cases the outcomes will have long term effects and even lifelong effects on the beneficiaries, for this evaluation, we agreed with UnitingSA that the best timeframe to consider the effects of the service delivered is **3 years**.

Giving Value to the Outcomes

An important part of the SROI analysis was to assign value to each of the outcomes we were evaluating. This can be an arduous task as many of the benefits delivered to the clients do not have a market value and therefore are not measured in monetary units (dollars).

Let's consider as an example the outcome family functioning. What is the right amount of money that indicates a family is improving its functionality? This question carries challenges from so many perspectives. Philosophically it raises the question of why should we put a monetary value on a family improving its communication or relationships? It also creates a challenge in terms of identifying what are the indicators that inform a family it is actually functioning better.

A Social Return on Investment analysis tackles this issue assigning financial proxies for each of the outcomes evaluated. A financial proxy is an approximation of the monetary value that an outcome (if achieved) represents.

So, for each of the outcomes defined, we established a financial proxy which could inform the client of the estimated monetary value of the benefits. One way to do this is identifying services or practices with an actual market value that deliver a similar effect on the beneficiaries. For example, for the outcome mentioned above; increasing family functioning, we assumed (and validated with stakeholders) that a family group therapy that addresses family communication issues has similar effects as the ones observed in the CfC program. Therefore, the cost of this service can be used as a financial proxy for the outcome Family Functioning.

We can take as an example, the first outcome listed in the table below, Family Functioning. In Australia, the Medicare Based Schedule establishes the price Group Focussed Psychological Strategies provided by a psychologist at \$ 25.45 per session. Considering families take 10 sessions to address their family functioning issues, this adds up to \$ 245.5 per year.

The financial proxies selected, monetary value and the rationale behind our calculations are summarised in the following table:

TABLE 4. OUTCOMES FINANCIAL PROXIES

Outcomes category	Financial proxy	Annual Monetary Value (AUD\$)	Rationale
Family functioning	Cost of treatment addressing family communication issues	254.50	Cost of family group therapy was calculated based on Medicare Based Schedule for family group therapy: Price of Group ‘Focussed Psychological Strategies’ items provided by a psychologist (80120). Assumptions: Ten sessions addressing family communication issues have similar effect on family functioning. Cost was annualised by multiplying 25.45 (cost per session) * 10 sessions per year.
Social Networks and Community Participation	Cost of weekly recreation in Australia. Average spent on social activities per week	2,704	Cost of Recreation (social activities) for Couple with kids (eldest child between 5-14). This number was estimated for 1 person and annualised multiplying 208/4*52
Age - appropriate development	Improved attendance/engagement/performance in school. Likelihood to find a job	7,306	Average improvement between weekly cash income full-time employees. Percentile (10%) from ABS. Children improve from lowest percentile to the fifth percentile

TABLE 4. OUTCOMES FINANCIAL PROXIES - CONTINUED

Outcomes category	Financial proxy	Annual Monetary Value (AUD\$)	Rationale
			after attending a CfC program. Calculated getting the average of the differences between each of the income levels
Mental health, wellbeing and self-care	Cost of counselling sessions to increase self-esteem	997.50	Cost of counselling sessions to achieve same outcome. The work that program managers do with adults has a similar impact as counselling sessions.
Parenting skills/ resilience (NOVA CATEGORY)	Certificate III in Early Childhood Education	1,399	Blended course Certificate III in Early Childhood Education and Care. 52 weeks & 120hrs placement
Employment, education & training	Average wage 2013	31,933	Port Adelaide Enfield Median total income minus Centrelink
Expand Capabilities of CPs	Cost of an evidence based course	1,131	Evidence based practice 1 at University of South Australia

Once the financial proxies were defined, we tested them in meetings and interviews conducted with key stakeholders such as UnitingSA and CPs staff that represent key strategic areas of the program and have solid experience working directly with clients. Their feedback and insights assisted us to modify and refine assumptions and the financial proxies used.

STAGE 4

ESTABLISH IMPACT

At this stage, we need to estimate the impact that the CfC Program delivers to the broader community. Supported by the information collected in previous stages, the main objective at this point is to establish the impact that the CfC program has on the main stakeholders identified with the impact maps: Parents and Children.

It would be unfair to assume that UnitingSA can claim that parents and children who are involved in the program improve their parenting skills or develop according to their age solely because of their participation with Communities for Children.

So, in order to estimate a more accurate impact, we examined the delivery of services using a number of 'what if' situations. For example, we are interested in questions such as, 'what would have happened if the program was not delivered?' Or 'Did any other community service organisation or government agency collaborate in achieving the CfC clients' outcomes?', 'While CfC's CPs delivered the services, did they displace other outcomes received by the community?', 'What is the effect of the outcomes on the clients over the years?'

The use of 4 concepts typically used in a Social Return on Investment analysis assisted us in preparing these questions and understanding the actual impact that the program is having in the community. These concepts are:

- **Deadweight:** proportion of the outcome that would have occurred even if the program was not there.
- **Displacement:** how much of the calculated outcomes displaced other outcomes.
- **Attribution:** how much of the outcomes can be assigned to programs and activities delivered by other organisations.
- **Drop-off:** refers to the amortisation of outcomes generated by your programs and activities across time. Once an activity is executed the social value towards the community could decline as time goes by.

Together with UnitingSA, we identified the Community Partners that aligned more with the evaluation strategy and who could contribute more to the analysis. Each of the CPs were aligned with one of the strategic areas that UnitingSA has defined to deliver the CfC program. We set meetings, and worked with them to establish the impact their programs have within their communities.

Using this sample, we estimated the values for all of the concepts mentioned above and we used an average of this estimation to calculate the impact of the CPs that weren't interviewed at this stage.

The following table illustrates the questions we asked the organisations during our interview and the values obtained with the averaged data for each of the 4 concepts:

TABLE 5. ESTABLISHING IMPACT

Attribution	Within your community, do you know how many other similar programs are offered for children (0-12) targeting the same outcomes? Do you think children improve their behaviour, health, social networks thanks to other programs or activities? By how much?	45%
Deadweight	If you didn't provide your services, do you think children would improve anyway? In what proportion?	20%
Drop-off	Out of 100, how much impact do you think you have on children after one year of intervention What about after 2 years? And what about after 3 years?	100-80-60
Displacement	How much of the outcome displaces other outcomes? how many of the services that you provide stop your clients from getting other services? <i>Are there other organisations providng services that impact on the same clients of your organisation?</i>	10%

STAGE 5

CALCULATING THE SROI

In Stage 2, we identified stakeholders and then, mapped and categorised outcomes using the DSS Data Exchange Framework plus additional outcome categories created by Nova.

In Stage 3, we explained the theoretical approach we have taken to handle outcome occurrence, outcome impact duration and also, we have detailed how Social Return on Investment analysis tackles the issue of assigning a monetary value to the outcomes by making use of financial proxies. At this stage, we have carefully described the process Nova followed to identify the best financial proxies to be used for the present analysis as well.

In Stage 4, we summarised the four key concepts embedded within the Social Return on Investment methodology: Deadweight, Displacement, Attribution and Drop-off. We also detailed the values Nova estimated for the present analysis.

Based on all these elements, and the eleven different impact maps built, we are now able to estimate a Cost Benefit Analysis ratio for each of the CPs involved in this program.

Estimation of Costs

Delivering a program involves a series of costs that are reflected as inputs within the impact maps. We considered both direct costs, such as funding UnitingSA grants to each of the CPs and indirect costs like transport and time dedicated by the parents who attended the program.

It is important to mention that we followed the 'opportunity cost' approach to estimate the value of time parents invested in attending the program's sessions. To do so, we raised the following question: if parents were not at the program and were working, how much would they be earning instead?

We answered this question using the region's (Port Adelaide Enfield and Charles Sturt) average income, collected from ABS data. We calculated the hourly rate

that a parent living in this location could earn. This way we were able to measure indirect costs such as time invested in the activity.

TABLE 6. VALUING TIME DEDICATED BY PARENTS

Description	Money (\$)	Unit of Measure	Rationale
Median total income	44,007	annual income (\$)	Average annual income of cities of Charles Sturt (44,320) and Port Adelaide Enfield (43,693)
	\$846.29	Annual income per week - parent	
	\$22.27	\$/hour parent	

To calculate transport costs, we assumed that people who were involved in the program live, on average, five kilometres away from wherever the program is delivered and that 8 out of 10 times they use a car and the remaining two, they use public transport (bus). This allowed us to calculate potential petrol expenses or public transport costs incurred by someone who travelled within a radius of five kilometres. The following table explains the alternatives and the rationale behind these assumptions:

TABLE 7. COST OF TRANSPORT

Alternative	Money (\$)	Unit of Measure	Rationale
Cost by ATO	0.66	\$/km	ATO Income tax deduction rate
Parameter / maximum	122	\$/month in petrol	Average spent monthly in South Australia on petrol
Bus fares	2.69	\$/per trip	Average bus fare at peak hour (regular, concession, student, senior)

Another input that we considered necessary to monetise was the time invested by UnitingSA’s staff on collecting data and managing projects. Based

on conversations with UnitingSA, we concluded that there are two types of staff members that dedicate time to the CfC program. Administrative and data capturing staff with hourly rates of \$30 and \$48 respectively. These staff members work 30 minutes per week, per CP, on administrative and data entry work related to the analysed program.

To calculate each CPs total costs, we added together all direct and indirect costs using the assumptions and rationale explained above. After estimating all costs related to each of the CPs service delivery, we proceeded to estimate the benefits.

Estimation of Benefits

From previous stages we collected information that helped us get a better understanding of how a CP delivers its activities. At this stage we know the number of clients each program serves, outcome occurrence and financial proxies.

With the following example we will explain the calculations behind our estimations of CfC’s benefits.

Let say there are 40 parents impacted by one of the services provided by the CPs and that one of the outcomes achieved is improving parenting skills. If we look at Table 4, we can observe that the estimated monetary value attached to this outcome is \$1,399. With this information we used the following formula:

CfC1 [Parenting Skills] Estimated Total Benefit

=

$$\sum_{n=1}^{40}$$

\$1,399 * Outcome Improvement

As mentioned in Stage 3, we assumed that, on average, end users experience an improvement of 50% in the final outcome after participating in the program. This means that 40 parents who participated in a program, which targets parenting skills as an intended outcome, improved such skills by 50% (on average).

So, in this hypothetical case, if we know that the parents involved in this program improved their skills by 50%, we can calculate the Estimated Total Program Benefit by multiplying \$1,399 by 0.5 forty times and get a total of \$27,980.

We used the same methodology for each outcome outlined for each one of the CPs. We then added them up to get an estimate of the Total Program Benefits that each CP delivers to the broader North West Adelaide community.

As the SROI methodology indicates, these Total Program Benefits should be

adjusted by deadweight, attribution and displacement and so, we have applied the corresponding adjustments as indicated in stage 4 (see Table 5).

Once we have the Adjusted Total Program Benefits amount, we incorporate into our estimations one more variable: time.

As explained before, we assumed the benefits derived from the CfC program last for 3 years. This means that after the program is implemented, end users experience impact for the next three years. The question that comes from this is how much are the benefits of year 2 and year 3 worth today? There is a technical concept of finance that clearly addresses this question, the Net Present Value, which measures the value of money over time.

On top of the above mentioned assumptions, we also assumed two things worth mentioning. The first was to calculate the Net Present Value of each program for which there was only an initial investment of inputs (direct costs + indirect costs) during the first year (ie. the monetary investment only occurs during the first year). The second was the rate at which money is discounted over time. We used a 3.5% rate of return, which is the most common discount rate used for social program evaluation.

We calculated the Net present Value of the benefits using the following formula:

$$NPV(i, N) = \sum_{t=0}^N \frac{R_t}{(1+i)^t}$$

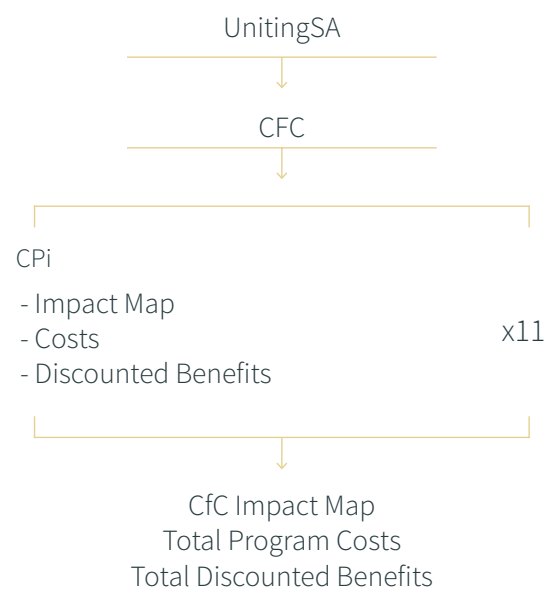
Where

t: time;
i: rate,
R_t: cash inflow - cash outflow, at time t

CfC SROI Estimation

Once we prepared the eleven impact maps for each of the Community Partners and valued the costs (inputs) and benefits (outcomes) individually we created an overall impact map and added all the figures together to get the Communities for Children Program total Costs and Benefits. The diagram below helps visualise the process we went through.

DIAGRAM 2. CFC SROI ESTIMATION



Using this approach, we came up with the following calculations:

TABLE 8. CFC TOTAL BENEFITS AND COSTS

CfC Benefits Total Net Present Value	\$3,947,159.67
Program costs	- \$1,203,471.68

Even when the process of valuing inputs and outcomes was very complex, given the diversity of activities and stakeholders, we could calculate the CfC Net SROI ratio by simply dividing the benefits by the costs, or the two figures shown in Table 8. The ratio calculated using this formula is 3.28. The meaning of this ratio can be read as follows: **per each dollar invested in the CfC program, the broader North West Adelaide community receives back an approximate benefit of \$3.28**

To minimise the inherent risks of this methodology, where a large number of assumptions needed to be made, we took three approaches. First, we did research on what has been done in top notch and comparable cases and replicated the theoretical approach followed there. Second, we followed one of the SROI principles of not over claiming, so many of the figures used were tested and we most typically used the more conservative ones. Last but not least, we performed a sensitivity analysis that allowed us to understand the strength of our forecast under different circumstances.

Sensitivity Analysis

Sensitivity analysis is a method that incorporates into a mathematical (or financial) model the uncertainty within the variables under analysis. The results of our sensitivity analysis represent different scenarios based upon the varying success of costs and benefits.

In this case, the sensitivity analysis performed by Nova challenged the base-model to create different scenarios pushing our model to answer questions like: what would be the result of the entire study if the benefits were 25% lower and the costs 25% higher? Results of this analysis are shown in the following table:

TABLE 9. SENSITIVITY ANALYSIS

		Sensitivity Analysis		
		Worst Case	Bad Case	Best Case
		Benefits -25% / Costs +25%	Benefits -10% / Costs +10%	Benefits +20% / Costs =
CfC Benefits Total Net Present Value	\$3,947,159.67	\$2,960,369.75	\$3,552,443.70	\$4,736,591.60
Program costs	-\$1,203,471.68	-\$1,504,339.61	-\$1,323,818.85	-\$1,203,471.68
NOVA UnitingSA SROI	3.28	1.97	2.68	3.94

We presented three different scenarios. The first one assumes that benefits decrease by 25% and costs increase by the same proportion (this is comparing the original figures presented in Table 8). The second scenario considers a less chaotic context compared with the first one in which benefits decrease by 10% and costs increase by 10%.

Lastly, we assumed that the benefits from implementing the CfC program increased by 20% while the costs remained the same. As it can be observed in Table 9, these three scenarios still return ratios over one. This means that the forecast for the CfC program funded by the Department of Social Services, facilitated by UnitingSA and delivered by the eleven Community Partners is strong in terms of delivering solid outcomes to its end users, even when the costs increase and the benefits decrease.

CONCLUSION

This report has presented Nova and UnitingSA with all sorts of challenges. These have come not only from the traditional hurdles associated with measuring social impact, but from the size and structure of the CfC Program. This required us to analyse multiple activities delivered through the 11 organisations and the particularities that each one of these imprints on the whole process. It also required us to analyse the dynamics of a wide range of stakeholders from Local and Federal Government Agencies, to a number of community service organisations with a focus on early intervention services such as counselling, health, children and parenting.

While demanding in nature, the response to the present report has been overwhelmingly positive. The process has raised questions and challenged assumptions in relation to the work that is delivered by the Community Partners. It has also helped to raise awareness for managers and staff members alike on the importance of understanding impact maps and their components. We observed a particular interest in the relevance of properly defining and working towards achieving outcomes in order to reach the desired impact in the communities that the services are being delivered.

The present report establishes the forecasted social impact that UnitingSA CfC Program can deliver to the community. With a Net SROI ratio of 3.28:1, this indicates that the CfC Program can deliver a social value of 3.28 dollars for each 1 dollar invested in it. In other words, it means that CfC's clients, and more broadly, the community of North West and Port Enfield can receive a value of \$3.28 for each dollar invested in the CfC Program.

It is worth mentioning again that the benefits attributed to CfC are likely to be greater than what is being reported. This is because while we have agreed to conduct the analysis of the outcomes over a three year period, some of the outcomes could have life long effects on the clients, which are not accounted for after the third year. At the same time, we conducted the analysis following the principle of not over claiming. So, where two or more alternative values emerged, we selected the more conservative one.

We should also highlight that the social impact remains positive after conducting a sensitivity analysis. In this case, we modelled two different scenarios: a worst case scenario considering an increase of 25% on the costs; and a best case scenario, where the benefits increase by 20%. In both cases the Net SROI ratio remains positive, at 1.97:1 and 3.94:1 considering the worst and best case scenarios respectively.

Finally, there are a number of alternatives in using this report to inform decision making. The most important includes implementing program improvements, engaging communities and key stakeholders, advocating for collaborative approaches on early intervention services, and advocating to attract more funds and support the CfC development.

We encourage the dissemination of this report internally and externally to communicate the significant work that is being done and the differences that have been achieved when impacting children's communities.

GLOSSARY

Attribution Refers to how much of the final outcome is caused by the contribution of a different organisation or group of people. It is mainly mentioned in stage 4 of this guide.

Cost allocation This is the total costs that are allocated or how much is spent on activities related to a given program.

Deadweight Sometimes the impact that an outcome has in the community is due to other factors. Deadweight is a measurement of the proportion of an outcome that would have happened even if the activities had not occurred. Term used at stage 4.

Discounting This is a financial process used to establish the value of future money in the present. See stage 4.

Discount rate Also known as the interest rate. Financially, the discount or interest rate is used to calculate the present value of future costs and benefits.

Displacement This term refers to the estimation, judgement or evaluation of how much the outcome has displaced other outcomes. See stages 4 and 6.

Drop-off Over time, outcomes deteriorate, weaken or decay. Drop-off, in this context, refers to the calculation used to measure the deterioration of an outcome.

Duration This term indicates the period of time in which an outcome has observable impact.

Financial value This term refers to the monetary value of any activity undertaken by any of the involved organisations.

Financial model A group of financial variables organised in a way that facilitates a better understanding of the dynamics of the activities as a whole.

Impact This term refers to the effect on communities and targeted groups caused or generated by your activities and programs.

Impact Map A table that captures how an activity makes a difference: that is, how it uses its resources to provide activities that then lead to particular outcomes for different stakeholders.

Income The incoming flow of cash for organisations. Financial income comes from different sources such as sales, donations, contracts or grants.

Inputs Factors that contribute and are necessary for your activities to be deployed.

Monetise To express the value of something in a currency.

Net present value Represents the discounted value of future cash inflows minus the cost required to generate the activity in today's currency.

Net social return ratio

Net present value of the activity divided by the total investment in today's currency.

Outcome The effects on a participant resulting from an activity. These could occur during or after the activity, and be positive (deliver a benefit to the participant) or negative (impose a cost). The affects could be intended or unintended

Outputs The direct amount produced by an activity (for example, number of people trained)

Outcome indicator A variable that provides reliable means to measure an outcome.

Stakeholder People or organisations that experience change or affect the activity analysed by the SROI either positively or negatively.

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