



Doing good better: SROI study for home modification programme for the elderly

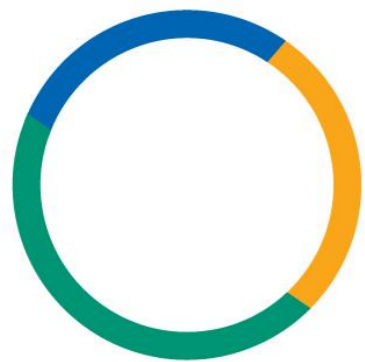
阮耀啟博士 Terence Yuen Ph.D.
香港社會效益分析師學會

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**Hong Kong Institute of
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**Promoting Social Impact
Assessment in HK and
Around the Region**

**Social Value International
(based in UK)**

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Doing Good Better: Proving vs. Improving

The Elderly Safe Living Scheme (ESLS) case is relevant to:

- **Public policy making**
(Ageing in Place initiative, social investment and allocation of public resources)
Audience: policy makers, general public...
- **Service implementation and management**
(Service planning and implementation, how to modify service components to drive impacts, etc.)
Audience: project managers, service users...

ELDERLY SAFE LIVING SCHEME

Background of Project Evaluation

The ESLS pilot project

- A 18-month pilot project; survey questionnaires administered by HS throughout the project period
- 120 elderly households participated in ESLS, of which 24 households undertook home modification during the project period [more after evaluation cut-off point]
(4 + 8 + 12 = 24)

Case Study: HKHS ESLS Pilot Project

- Preliminary analysis performed by Lingnan University:
 - Questionnaires completed by 110 participants
 - In-depth interviews conducted with 6 participants
 - Supplemented by one-to-one interviews with 3 elders conducted by the SROI research team
- SROI offers a framework for analyzing the research evidence by comparing benefits to costs using the **Impact Map** or **Value Map** (a DCF analysis using Excel)

SROI ANALYSIS OF ESLS :

Some Initial Comments

- SROI is a special kind of Cost-Benefit Analysis (CBA) but governed by a set of SROI principles
- Done using the Excel version of the [Impact Map](#), together with a 32-page final report
- Level of rigour of the ESLS SROI analysis influenced by:
 - The research evidence behind the analysis
 - Financial proxies: market vs. non-market
 - Financial proxies: Hong Kong vs. UK info
 - Do not over-claim estimation (e.g. deadweight)
 - A true and fair view (not claiming 100% accuracy)

The Seven Principles of Social Value

1. Involve stakeholders

2. Understand what changes

3. Value the things that matter (Valuation)

4. Only include what is material

5. Do not over claim

6. Be transparent

7. Verify the result

([The Seven Principles of Social Value](#))

APPROPRIATE LEVEL OF RIGOUR

Less rigorous
←————→
More rigorous

	Different objectives			
	Planning	Management Report	Investor Report	Public Report
Principles required				
1	✓	✓	✓	✓
2	✓	✓	✓	✓
3	✓	✓	✓	✓
4	✓	✓	✓	✓
5	✓	✓	✓	✓
6	✓	✓	✓	✓
7	✓	✓	✓	✓

Source: Social Value UK

SROI as a Framework with a Set of Principles

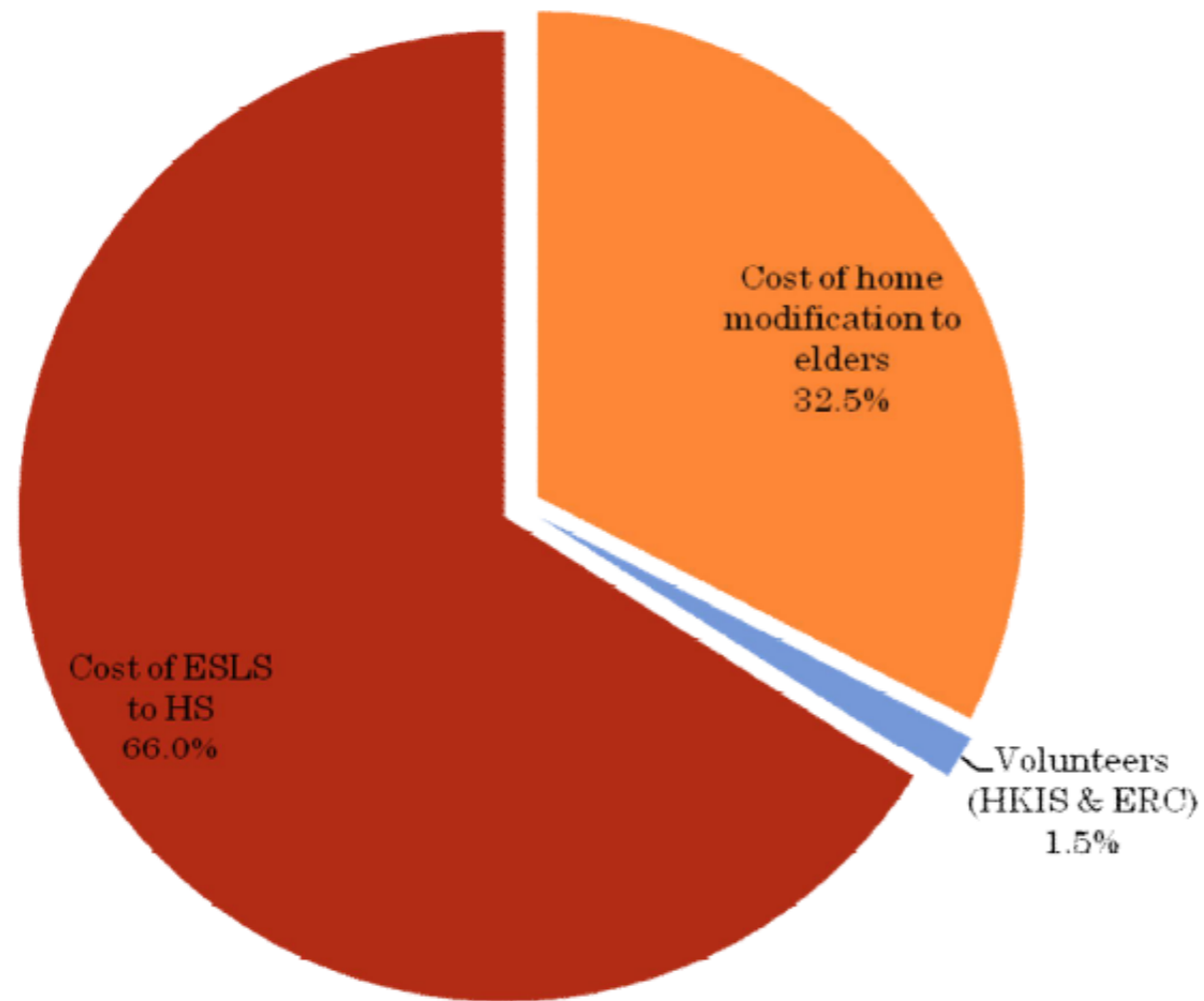
SROI

is a set of **principles** used in a **framework**

that **will help you manage, plan and make decisions** to

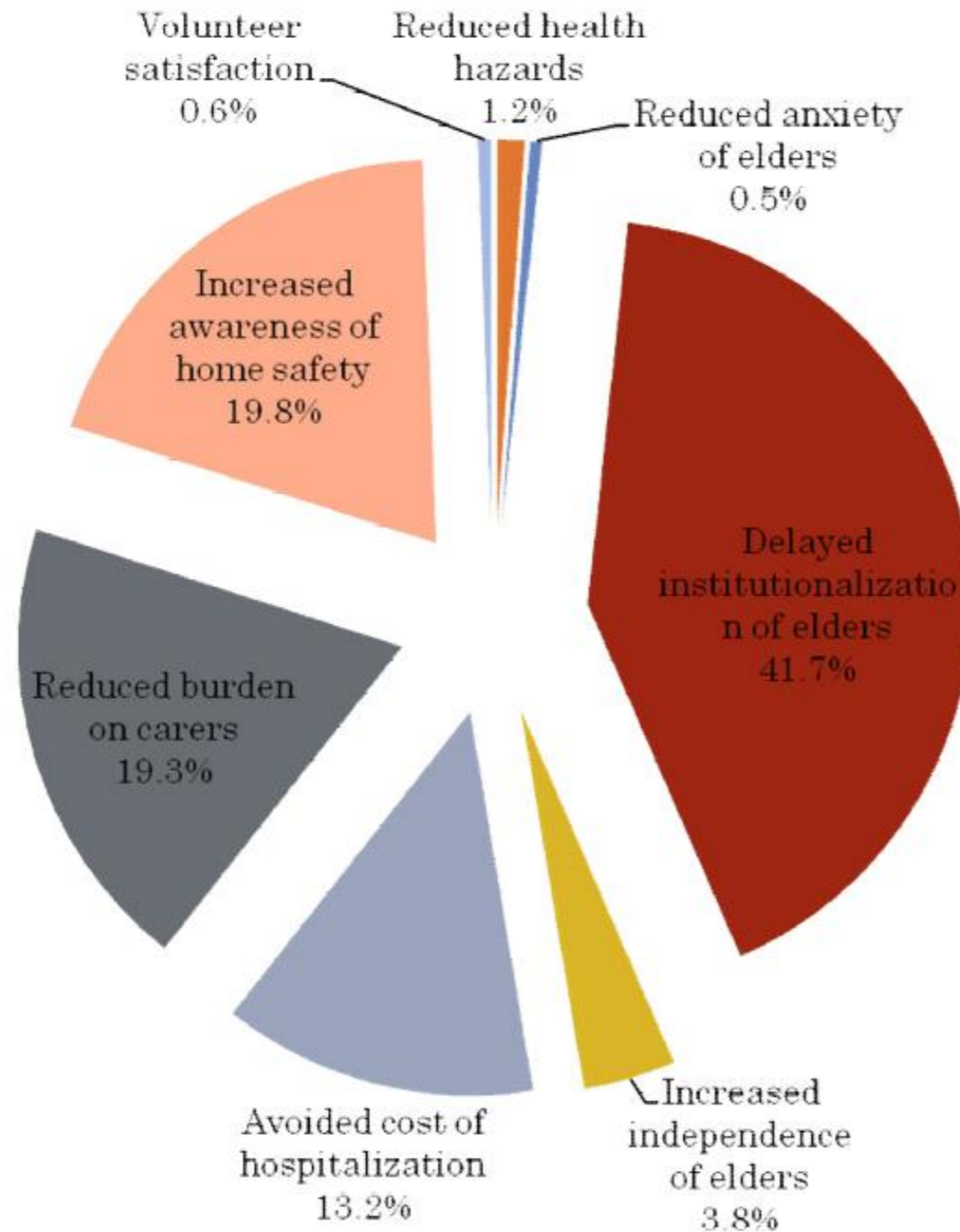
Increase the **value** created
for
your **stakeholders** by
your activities

ESLS - INPUTS



	Input (HK\$)	%
Cost of ESLS to HS (Sep 2013 - Dec 2014)	2,962,855	66.0%
Cost of home modification to elders	1,460,000	32.5%
Volunteers (assigned value)	68,080	1.5%
Total:	4,490,935	100.0%

SOCIAL VALUE DRIVERS



Outcome	Impact (HK\$)	%
Reduced health hazards	156,685	1.2%
Reduced anxiety	69,192	0.5%
Delayed institutionalization	5,604,737	41.7%
Increased independence	511,174	3.8%
Reduced burden on carers	2,590,788	19.3%
Avoided cost of hospital treatment	1,777,125	13.2%
Increased awareness	2,669,996	19.8%
Volunteer satisfaction	75,973	0.6%
Total:	13,455,670	100.0%

KEY FINDINGS OF SROI ANALYSIS

- A social return on investment (SROI) of 3:1, i.e. HK\$3 of social value for every HK\$1 invested

$$13.5 \text{ Mil} / 4.5 \text{ Mil} = 3$$

- From HS perspective, a more relevant ratio of social return would be 4.5:1

$$13.5 \text{ Mil} / 3 \text{ Mil} = 4.5$$

(“Return on Investment” vs. “Return on Asset”)

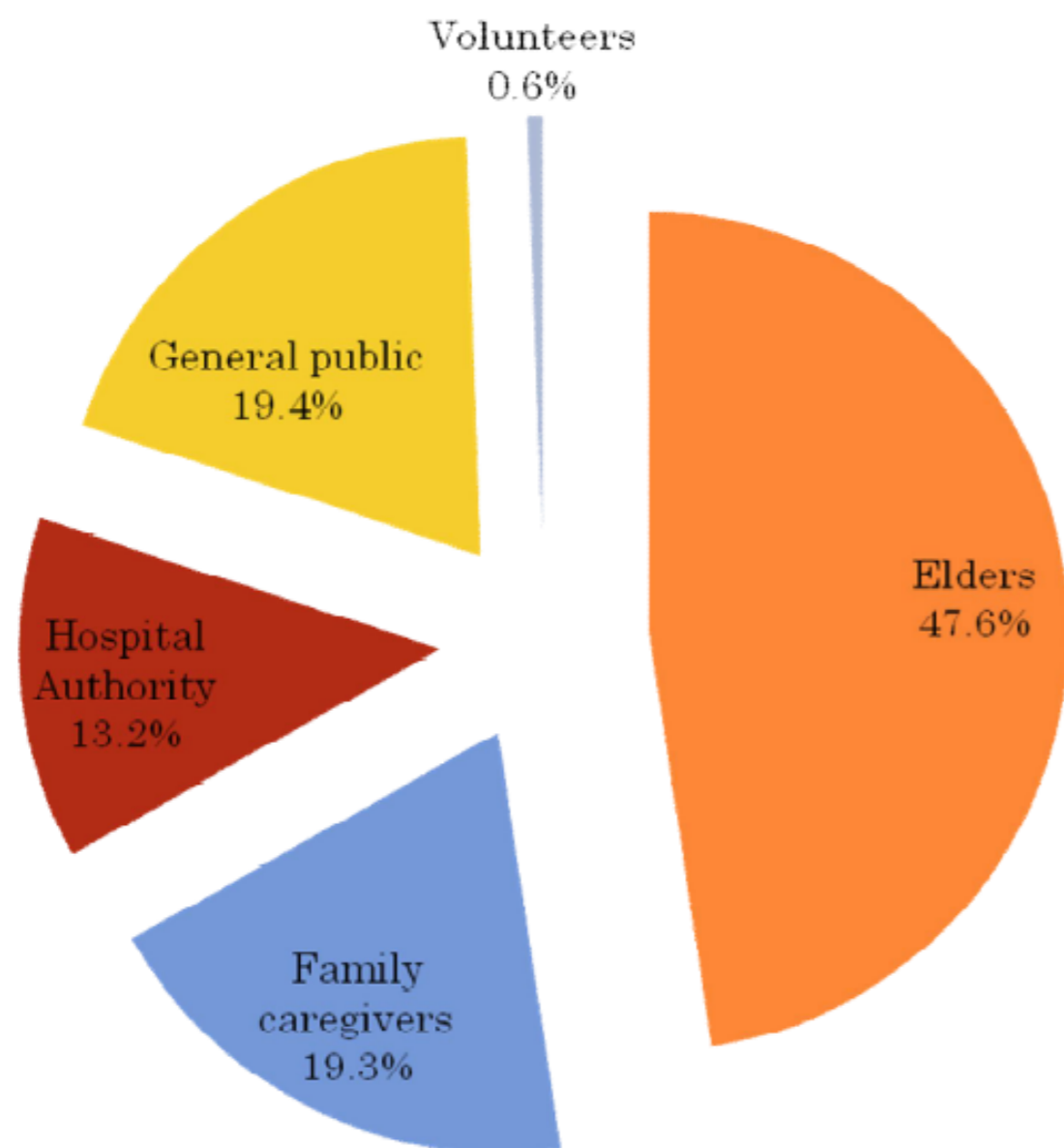
KEY FINDINGS OF SROI ANALYSIS

- Key value drivers:
 - Delayed institutionalization of elders (41.7%)**
 - Increased awareness of home safety (19.8%)
 - Reduced burden on carers (19.3%)
 - Avoided cost of hospitalization (13.2%)*

* Public money

** A significant proportion subsidized by government

SOCIAL VALUE CREATION FOR DIFFERENT STAKEHOLDER GROUPS



Stakeholder	Impact (HK\$)	%
Elders	6,406,715	47.6%
Family caregivers	2,590,788	19.3%
Hospital Authority	1,777,125	13.2%
General public	2,605,068	19.4%
Volunteers	75,973	0.6%
Total:	13,455,670	100.0%

Decision Making Supported by the SROI Analysis

- Impact Management and Decision Making
 - A robust analysis on how activities drive value
 - Marketing and reach-out strategies
 - Service target groups (various elderly sub-groups)
 - Different sub-groups experienced change differently
 - Resource allocation (time use of Occupation Therapist)

Embedding: Using the SROI findings

Embedding – Internal Use vs. External Use

- **Internal Use:**
 - SROI Forecast: Preparing impact budget
 - Comparing actual performance with budgeted performance periodically (e.g. on quarterly basis)
 - Social Impact Modeling and Sensitivity Analysis: Managing impact in subsequent project periods
- **External Use:**
 - Social Impact Bond (SIB) and Creating Shared Value (CSV)

Conclusion

- SROI is a **principles-based method** that provides a consistent approach to understanding and managing an organization's impact
- It guides the process by which an entity...
 - identifies different stakeholders (**stakeholder engagement**),
 - asks for their perceptions of important outcomes (**materiality**),
 - develops indicators for those outcomes (**understand change**),
 - adjusts the outcomes for an assessment of what would have happened in absence of the organization's work (**do not over-claim**), and
 - values the impact to arrive at a better understanding of the impact of an organization (**valuation**)

Concluding Remarks: Undertaking Ongoing Impact Management

1. SROI Forecast vs. SROI Evaluation: Preparing an **SROI Impact Budget** to manage social impact throughout the project period
2. Ways to increase impact (improve the SROI ratio) through better program planning and resource allocation
3. Inform other AIP related programmes of HKHS

Contacting Us

Further Information on SROI and Social Impact Assessment:

hkisia.org

Emails:

terenceyuen@gmail.com

sroi.hkg@gmail.com