

Measures of Social Return on Investment and Other Community Well-being Indicators

Community Social Indicators of Well-Being and Social Return on Investment in the City of Edmonton and the City of Calgary

Recommendation:

That the February 23, 2016, Financial Service and Utilities report CR_2233, be received for information.

Report Summary

This report provides information on Social Return on Investment, how the City of Calgary is currently using Social Return on Investment as well as additional community well-being indicators that Calgary tracks.

Previous Council/Committee Action

At the February 24, 2015, Executive Committee meeting, the following motion was passed:

That Administration work with the City of Calgary to understand their measures of social return on investment and other community well-being indicators and provide a report back to Committee.

Report

Introduction

Municipalities provide a range of programs and services to improve the well-being of its citizens and their quality of life. Community well-being indicators is a qualitative means to measure this improvement. This report provides information on examples of types of community well-being indicators the City of Edmonton and the City of Calgary currently measure. It also provides additional information on Social Return on Investment, which is another means of quantifying quality of life improvement.

The City of Edmonton and the City of Calgary measure community well-being through multiple ways. The City of Edmonton has the Corporate Outcome Measures which include community well-being indicators such as reporting connectedness to the community and perceptions of safety. The City of Calgary produces reports such as the Indices of Community Well-being (Attachment 1), which shine light on whether certain vulnerabilities may – or may not be – prevalent across the whole spectrum of Calgary neighbourhoods. The most common area that captures well-being indicators in both the City of Edmonton and the City of Calgary is through Family and Community Support Services.

Family and Community Support Services Provincial Priority Measures

The City of Edmonton and the City of Calgary are mandated to report on outcomes for

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Family and Community Support Services funded programs through the use of indicators. All Family and Community Support Services programs are required to report performance on indicators to the Province of Alberta. Each municipality participating in the Family and Community Support Services funding program determines how it will collect indicator data.

Edmonton Family and Community Support Services has projects and programs that address local priorities and social needs. The funded programs select the outcomes, indicators and tools to measure the change expected to be achieved through program participation. The Edmonton Family and Community Support Services funded programs report on the outcomes as a way of evaluating the difference the Family and Community Support Services program makes in the lives of Edmontonians. Edmonton Family and Community Support Services indicators align with the Family and Community Support Services Provincial Outcomes Model, including the provincial priority outcomes, indicators and measures (Attachment 2). These measures are what Edmonton would use as their “well-being” indicators. The indicators fall under three outcomes:

- Improved well-being of individuals
- Improved well-being of families
- Improved social well-being of community

Under each dimension for Edmonton and Calgary, there is a suite of indicator survey tools. The indicator surveys are used to measure and demonstrate the impact of prevention at the program level as well as the collective impact of all investments within each dimension. This data is what is used to understand the social return on investment.

Social Return on Investment Tool

Social Return on Investment is an innovative, principles-based methodology and increasingly sought-out approach that assigns a financial value to a social impact that would otherwise be overlooked or misunderstood. Through the methodology and use of financial proxies, a Social Return on Investment offers a common language between those who are familiar with the value of projects and programs, such as an organization or policy, with investors who have less information or understanding.

Social Return on Investment illustrates the value of change to individuals, families and community circumstances by expressing that change in a dollar value *wherever possible*. It is designed to ensure perspectives of all stakeholders are taken into account. Examples of social value include:

- Improved education levels
- Improved quality of life
- Increased self-confidence
- Environmental improvement

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- Increased job prospects
- Expanded social networks
- Increased social inclusion
- Improved health

Financial proxies are estimates of financial value where it is not possible to know an exact value and are critical for accurately estimating Social Return on Investment. Financial proxies are only used if they are from citable, reliable sources and cannot be made-up by the evaluator.

Benefits

- It is a principle-based evaluation practice that requires alignment to ensure a quality analysis and consistency in product. Assurance mechanisms exist and an international body of knowledge and community of practice supports the ongoing development of Social Return on Investment analysis through Social Value International.
- It can help organizations, stakeholders and investors understand social value of an investment.
- It opens up a dialogue to assess the degree activities are meeting expected outcomes.
- It helps tell the story along with environmental and economic factors.
- It can help with strategic management to analyze what might happen if a particular strategy is implemented and if a program is the best place to allocate resources.
- It explains the value of the program from the perspective of the program participants and other stakeholders of the program.

Limitations

- If there is not good outcome data already in place, it can be very time consuming to gather the required information.
- There is a danger of focusing on only the financial valuation rather than the whole picture of the value proposition from the stakeholders/participants' perspective.
- An Social Return on Investment analysis is only another tool in our evaluation tool box and its message should not be over-emphasized, especially the dollar valuation. There can be a danger in comparing apples to oranges through the dollar valuation rather than taking the time to understand the full picture brought forward by an Social Return on Investment.

The City of Calgary conducted pilot projects with Family and Community Support Services funded agencies in 2008-2009 and shared these results with the City of Edmonton. After the pilots were completed, it was decided to provide one time funding

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grants for agencies interested in completing an Social Return on Investment analysis. Calgary currently continues to offer grant monies to agencies who would like to do an Social Return on Investment evaluation on a program.

The City of Edmonton currently has two Social Return on Investment evaluations underway, one on the "Net Analytics Pilot", which will be brought to Council in February and one on "The Youth Transit Access Project" which will be brought back to Council in March. Corporate Strategic Services will continue to build a relationship and work with The City of Calgary on Social Return on Investment and well-being indicators. This is an area municipalities are still learning about and it is important to continue to share information, tools and techniques.

Attachment 1 provides information on what well-being indicators Edmonton and Calgary use.

Attachment 2 provides the Family and Community Support Services Provincial Outcomes Model that Edmonton and Calgary Family and Community Support Services align to.

Attachments

1. Indices of Community Well-being, City of Calgary
2. The FCSS Outcomes Model: Chart of Outcomes and Indicators

Others Reviewing this Report

- R. Smyth, Acting General Manager, Community Services