

WHAKAINEA TE WHAKAAWEAWETIA O TE WHĀNAU ORA

Measuring Impact for
Whānau Wellbeing



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Whakainea Te Whakaaweawetia O Te Whānau Ora,
Measuring Impact For Whānau Wellbeing

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MESSAGE FROM OUR CHAIR

Merepeka Raukawa-Tait

In this dynamic and ever-changing environment, it is important that we take the time to measure and assess what we do to evidence the impact of our programmes and activities have on whānau wellbeing.

This report sets forth a precedent for us to determine our social impact, giving us tools to measure and account for what we do to support whānau wellbeing. The Social Return on Investment framework has enabled the Whānau Ora commissioning Agency to measure what matters to our whānau.

‘Measuring Impact for Whānau Wellbeing’ helps NGO’s, Whānau Ora providers and Government agencies to understand, measure and value the positive as well as negative changes in the whānau and communities we work with. The social impact analysis report of ‘Ngā Tau Mīharo o Aotearoa- The Incredible Years Parenting Programme’ demonstrates the story of change and impact of the programme, and we are honoured to share this best practice example in the Whānau Ora space. It provides a foundation for Whānau Ora partners, indigenous providers and other like-minded organisations to reflect on their own journeys, think about, and value the changes for whānau they are achieving and aim to achieve through their services.

I would like to thank our whānau who have given their time to be part of such an important Kaupapa, allowing us into their lives to capture their stories. I would also like to acknowledge the kaimahi, who put their heart and soul into their work with whānau, without whom these experiences would not be able to share.

We are pleased to initiate and share this essential korero with you all, and strengthen the wellbeing movement for our whānau and communities.



Merepeka Raukawa-Tait
Chair - Whānau Ora Commissioning Agency

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THE PATHWAY TO MEASURING SOCIAL VALUE

Since its inception in early 2014, the Whānau Ora Commissioning Agency (formerly known as Te Pou Matakana) has been on a journey of discovery and innovation to achieve and measure whānau progress and Whānau Ora outcomes.

The Whānau Ora Commissioning Agency (WOCA) serves as a key advocate in the Whānau Ora value chain. In its central role, besides distribution of government funding, WOCA informs decision making and advocates upstream for policy change that will benefit whānau. It also actively engages downstream with Whānau Ora providers and organisations, to help them achieve positive outcomes for whānau by providing funding and capacity building support.

From its early days, WOCA has asserted that there is more to a thriving community and nation than Gross Domestic Product (GDP) and economic measures. Agencies, government departments, providers and other organisations have predominantly been focused on measuring only outputs, rather than outcomes¹. As part of their role of advocacy for best practice within the Whānau Ora space, WOCA has initiated and led the conversation of what to measure to ensure that the things that *matter to whānau*, are brought to the forefront of best practice service delivery.

As such, WOCA has adopted a 'commissioning for outcomes' approach to drive better outcomes for whānau

across the North Island. Outcomes represent the real changes resulting for whānau that present a better indicator of performance by service providers. To support this, WOCA developed a holistic Outcomes Framework (Te Pou Matakana, 2014) to measure different dimensions of life that matter for whānau and contribute to their wellbeing – education and knowledge, standards of living, health, family and relationships, participation in the community, cultural connection and the state of the environment and surroundings.

The purpose of the Outcomes Framework is to guide towards a systematic method for determining the benefits for whānau that occur as a result of Whānau Ora services (Te Pou Matakana, 2015). Following on from this, a robust plan of action - The Outcomes Roadmap – was developed as an operational document, outlining a set of practical steps for WOCA to take to improve and implement its Outcomes Framework (Te Pou Matakana, 2016).

However, measuring what matters for whānau is not easy, because social value is not objective; its measurement is complex, but necessary to verify and account for investments in the social sector. Therefore, WOCA set out to complement its Outcomes Framework using the SROI tool, in order to further understand and value the real impact made for whānau as a result of their programmes (Te Pou Matakana, 2017).

In 2018, New Zealand took a significant step forward in terms of what we measure and what we officially value by introducing the Living Standards Framework and Wellbeing Budget (The Treasury, 2018). This move towards reporting on wellbeing should not become a compliance exercise; but instead is an opportunity to better measure how we are doing as a country. This approach aligns with the WOCA pathway to measuring wellbeing. In this report, WOCA is aiming to share its best practice and experience in measuring and valuing what matters to whānau and their wellbeing to inform other organisations with the same vision.

This document presents an example of an SROI analysis, carried out in the Whānau Ora sphere. It follows on from the first document – Measuring Impact with Social Return on Investment, published by Te Pou Matakana in 2017, focusing on the Taitamariki programme.

The purpose of this document is to deepen the understanding of the Social Return on Investment (SROI) concept and its implications on funding and investing in the social sector. It also supports the introduction of a wellbeing vision in New Zealand, aligning with the WOCA approach of measuring success based on whānau wellbeing.



¹ Outputs are the direct results of actions that are often used for funding purposes, whereas outcomes measure a change in feelings, capacity, situations, or behaviour of people as a result of using an organisation's products or services.



IMPLEMENTING A WELLBEING VISION

With growing divides and inequalities in the world today, it is more important than ever to promote a vision of society that has wellbeing (not just wealth), at its heart. Further to this, it is equally essential to account and value actions and investments for wellbeing.

Over the last few decades, several international commissions and research agencies have come up with ways to go beyond Gross Domestic Product (GDP). The central tenet being that there is a need to shift emphasis from measuring economic production to measuring people's wellbeing.

Governments, social enterprises and not-for-profit organisations have stepped up their efforts to develop multidimensional dashboards of wellbeing, inclusiveness and sustainability indicators.

The use of wellbeing to measure a country's success is gaining momentum internationally. New Zealand took up the challenge and has gone one step further by releasing the first-ever "Wellbeing budget" on May 30, 2019 (The Treasury, 2018).

Wellbeing in Aotearoa

New Zealand is not the first country to consider the wellbeing approach, however it is the first to release a budget explicitly centred around that concept.

In order to work towards higher living standards for New Zealanders, the Treasury developed the Living Standards Framework (LSF) and a LSF Dashboard to help analyse and measure intergenerational wellbeing (The Treasury, 2018). The LSF builds on 30 years of New Zealand and international research on wellbeing and has drawn on the Organisation for Economic Co-operation and Development's (OECD) wellbeing approach to enable international comparability.

The challenges in measuring wellbeing at this scale are coping with translation (having it all make sense to people), evidence (how to prove a connection between an intervention and the outcomes), and durability (how to make sure the framework is credible, useful, and valued enough to last for decades rather than years).

Despite these challenges, attempting to measure wellbeing provides a platform to acknowledge and respond to what matters for whānau. Government agencies, non-government, and private organisations can participate in this innovative approach, sharing their learnings and tackling the challenges presented.

HOW TO MEASURE THE UNMEASURABLE?

"What is the social value of a hospital?"

"How can we account for the social impact of education, public housing, or mental health support?"

"What is the social worth of mentorship?"

One can observe that many expenditures or investments have returns that are not easily measured in monetary terms. In short, it is not easy to determine the social benefits of our services.

For example, an employment opportunity can have more benefits than just increased income; it can improve wellbeing through increased self-esteem, optimism, and personal/whānau resilience.

As a result, various competing methods for calculating social value have emerged. An approach which can measure, maximise and synergise social value and impact should:

- » Take into account investments in all sectors;
- » Define returns beyond individual shareholder value;
- » Identify adequate measurements for the defined returns;
- » Take a value-driven approach, considering the social, economic and environmental dimensions and equality.

While there is progress in efforts to calculate wellbeing, measuring impact and value must run parallel. In the past forty years, there have been many attempts to measure social, public, or civic value. The demand for these metrics has come from all sectors - public officials, policymakers and Government must account for their spending decisions and programmes; investors require figures to measure profits and benefits; foundations want to direct their grants to effective programmes; and non-profits need to demonstrate their impact to funders, partners, and beneficiaries.



SOCIAL RETURN ON INVESTMENT (SROI)

One such method for measuring social value and impact is the Social Return on Investment (SROI) analysis. Building on the financial analysis method of Return on Investment (ROI), SROI is a framework to account for value created, which includes not only individual shareholders, but the broader benefits in the social, economic and environmental domains.

Social Return on Investment is an outcomes-based measurement tool that helps organisations to understand and quantify the social value and impact they are creating or intend to create.

SROI is a combination of elements from cost benefit analysis and accounting principles (New Economics Foundation, 2004).

It is grounded on seven principles which provide basic building blocks to understand and measure social value (New Economics Foundation, 2014). Stakeholder engagement is fundamental, not only in the genesis of the framework but also as a goal and a means of implementation. Participation in decision-making is recognised as a value itself.

SROI vs Cost Benefit Analysis (CBA)

- » SROI is a derivative of CBA which focuses largely on the involvement of stakeholders in the measurement process.
- » A key principle of SROI is that analysis should include outcomes that are material to stakeholders regardless of whether they are intended or unintended, whereas CBA tends to focus on valuating the main defined outcomes of an intervention.
- » In a SROI, there must be a process for verifying results (standard assurance process), whereas there is no standard audit process governing CBA assessments.

MEASURING VALUE AND IMPACT

Among the different practices and methodologies that are used to measure value and the impact, SROI provides a comprehensive framework for measuring and accounting for the complete value created and painting the picture of impact generated using seven social value principles.

Social Value Principles

1. Involve stakeholders
2. Understand what changes
3. Value things that matter
4. Only include what is material
5. Do not over claim
6. Be transparent
7. Verify the result

These seven social value principles guide and substantiate the SROI framework. These enable SROI to take a holistic approach to estimate the economic, social and environmental value of an intervention or organisation and allows one to place a monetary value (financial proxy) on it (New Economics Foundation, 2014). This leads to calculating a ratio score which outlines for every dollar invested in the programme, how many dollars of value have been created. Any ratio where the return is higher than 1:1 is positive, but the larger the difference in the ratio in favour of social benefit, the larger your impact has been.

It is in this context that SROI holds a unique niche. The underpinning idea is that investments should not only look at what financial value they produce as direct shareholder value, but also include a wider range of benefits to other affected and/or involved stakeholders.



WHY USE SROI?

The key strength of SROI is that it provides a complete understanding of the value that is created (or reduced) by any given activity, programme or organisation. It ensures that outcomes that may be more important to stakeholders but do not have a readily available financial value are accounted for and valued.

Establishing an SROI approach for the investments across all sectors would represent a way to shift the focus from purely financial accounting towards a more comprehensive accountability of broader (social and environmental) value created. It also signifies stakeholder engagement and involvement in the decision making, developing and measurement process of interventions and solutions (Hamelmann, Turatto, Then, & Dyakova, 2017). SROI also helps develop a common language to communicate and bridge inter-sectoral barriers.

SROI can be used to:

- » Establish a holistic view of what an investment achieves
- » Influence strategic planning
- » Conduct cost-benefit analysis on different areas of investment
- » Inform budget allocation, prioritisation and target-setting decisions
- » Contribute to organisation-wide value-for-money assessments
- » Influence staff culture and organisational approach
- » Add robust evidence to funding bids and audits
- » Calculate overall social impact as a provider, and even as a sector.
- » Design services or activities to meet stakeholders' needs
- » Expand and improve accountability
- » Communicate value with wider stakeholders

SOCIAL MEASUREMENT IN ACTION

WOCA and its network of providers have been working in the social measurement space to ensure the creation of value for money, while achieving whānau outcomes and aligning to Government priorities. Using the SROI framework has helped WOCA to understand what matters to whānau, how to achieve outcomes and how to be accountable. In this section, one of the SROI analyses commissioned by WOCA is presented as a case study that indicates how social impact of a community service can be measured.

The Value of the Incredible Years Parenting Programme

Conduct problems affect more than 50,000 children in New Zealand, which results in a wide range of adverse outcomes in later life. The Incredible Years Parenting (IYP) programme, is an effective evidence-based intervention to address conduct problems in children. It is an internationally recognised parent management training programme designed to improve parental capabilities to promote emotional and social competence in children and to prevent, reduce and treat conduct problems. The IYP Programme for Māori whānau is called Ngā Tau Mīharo o Aotearoa. The programme is funded by the Ministry of Education and has been run by Te Whanau o Waipareira for more than six years.

A forecast SROI analysis of the programme revealed the value created by it. The parents and caregivers experienced significant change and maximum value creation as a result of the programme. Some of the outcomes included being a better parent, improved relationships, and improved mental wellbeing. Their children also showed change in behaviour and

sociability. All the facilitators / kaiārahi of the programme also showed positive outcomes in terms of their professional development, improved relationships and skills.

The forecast value created exceeds the investment. Over three years, with an estimated \$484,196.25 investment, the programme creates value worth \$1.8 million. This implies a social return on investment ratio of 3.75:1, that is, for every \$1 invested into the programme, \$3.75 of value is created.

This value is a conservative estimate and does not include the long-term benefits to children and young adults, and the value that will be created for the government and other state agencies as a result.



NGĀ TAU MĪHARO O AOTEAROA

INCREDIBLE YEARS PARENTING PROGRAMME FOR MĀORI

The Incredible Years Parenting (IYP) programme, is parent management training programme designed to improve parental capabilities to support child development and to prevent, reduce and treat conduct problems. The IYP programme for Māori whānau is called Ngā Tau Mīharo o Aotearoa; it reflects the Māori tikanga and supports responsiveness to Māori culture.

Te Whānau o Waipareira (Waipareira) is an Urban Māori Authority delivering a wide range of services to whānau in West Auckland. It is a whānau centric organisation which operationalises the core values and principles of Whānau Ora in all its services. Waipareira has been delivering Ngā Tau Mīharo o Aotearoa programme to its whānau for over six years. The IYP programme is delivered with the Waipareira flair and Māori cultural elements beyond the prescribed guidelines to build resilience and improve outcomes for whānau.

ACTIVITIES



METHODOLOGY

SOCIAL RETURN ON INVESTMENT

An internationally recognised, principles-based approach for understanding and measuring the broader concept of 'value'. This Study uses the SROI methodology to understand, measure and report the value created by the IYP programme.

This report is a forecast SROI analysis, measuring the social value of the Incredible Years Parenting programme. It forecasts the value over three years - 2017, 2018 and 2019.



OUTCOMES

The SROI analysis revealed the story of change and value created as a result of the IYP programme and its unique service delivery at Waipareira.



- Being a better parent
- Improved parent-child relationships
- Family as a unit
- Reduced stress and improved mental well being
- Feeling worthy and confident
- Having a safe environment
- Feeling supported
- Access child custody or reduced risk of losing child guardianship
- Feeling supported with access to other services
- Increased social engagement

KEY STAKEHOLDERS

- Parents and Caregivers
- Children (aged 3 - 8 years)
- Facilitators/Kaiārahi of IYP programme
- Te Whānau o Waipareira
- Government and its agencies



- Emotional development
- Cognitive development and behaviour
- Sociability



- Improved professional development
- Improved interpersonal relationships
- Being a better parent
- Improved self-esteem



- Reduced social and fiscal costs
- Decrease in crime, substance abuse, mental health difficulties, poor health, etc.

IMPACT

THE RESULT OF 3.75:1 INDICATES THAT
FOR EACH \$1 INVESTED,
A TOTAL OF \$3.75
OF VALUE IS CREATED

TOTAL VALUE CREATED | \$1,842,196.36

TOTAL PRESENT VALUE
(after discount rate - 1.75%) | \$1,815,855.75

INVESTMENT VALUE | \$484,196.25

NET PRESENT VALUE
(present value minus investment) | \$1,331,659.50

VALUE CREATED

Over three years, the IYP programme at Waipareira generates \$ 1,815,855.75 of social value.

Forecast value created over three years exceeds the investment.

Payback period for investment over three years is 3.15 months

SOCIAL
RETURN
ON INVESTMENT
RATIO

3.75:1

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CONCLUDING REMARKS

Emphasising the need for a holistic wellbeing perspective and stressing accountability for whānau wellbeing represents a fundamental shift in the definition of “value” and “investment.” As governments, social enterprises and organisations align to this move, Social Return on Investment serves as a powerful tool to tell the story of change, value and impact. It helps answer the question “how much of a difference are we making?”

Every activity and action – whether carried out in the public, private or non-profit sectors – creates and destroys value. This has an impact on the economic, environmental and social dimensions. However, investment evaluations are usually limited to the economic dimension. To ensure accountability and wellbeing, all investments should be evaluated for their whole range of impact.

SROI represents a useful alternative to common investment evaluations, as it accounts for value from the stakeholders’ perspective. It has the potential to expand the scope of analysis to a broader and near complete picture of all dimensions of impact created by all types of investments. SROI helps to understand these obtuse relationships and thereby also produces policy-relevant information to inform decision making, strategy and planning.

Being strongly grounded in stakeholder engagement, SROI ensures that what matters to the people affected by an intervention or organisation is counted for and that their voice is recognised and reflected in decision-making. This also means giving the right relevance to the wide stakeholder engagement, and participation process in investment decisions being made at different levels

-international, national, subnational and community.

Social value measurement is therefore intended to provide a better evidence framework for how to achieve wellbeing and positive impact. SROI provides an empirical, principled way to compare different options and enable evidence-based priority setting. It also offers opportunities to foster and enhance accountability and transparency in the implementation processes, particularly at national, subnational and community levels, linking them to the local context. SROI also enables organisations to reflect on their own performance, and find opportunities to improve services for its users and beneficiaries.

Thus, the question is not whether to measure the value and impact created, but how to do it effectively and efficiently. To that end, it is the aim of the Whānau Ora Commissioning Agency that this document contributes to the dialogue around impact and value measurement within the context of accountability and wellbeing in Aotearoa and beyond.

GLOSSARY OF TERMS

- **Attribution:** An assessment of how much of the outcome was caused by the contribution of other organisations or people.
- **Cost allocation:** The allocation of costs or expenditure on activities related to a given programme, product or business.
- **CYFS:** Child Youth and Family Services
- **Deadweight:** A measure of the amount of outcome that would have happened even if the activity had not taken place.
- **DHB:** District Health Board
- **Discounting:** The process by which future financial costs and benefits are recalculated to present-day values.
- **Displacement:** An assessment of how much of the outcome has displaced other outcomes.
- **Drop-off:** The deterioration of an outcome over time.
- **Duration:** How long an outcome lasts after the intervention, such as the length of time a participant remains in a programme.
- **ECC:** Early Childhood Centre
- **ECE:** Early Childhood Education
- **Financial value:** The financial surplus generated by an organisation in the course of its activities.
- **Impact:** The difference between the outcomes for Participants, taking into account what would have happened anyway, the contribution of others and the length of time the outcomes last.
- **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:** An organisation’s financial income from sales, donations, contracts or grants.
- **Inputs:** The contributions made by each stakeholder that is necessary for the activity to happen.
- **Kaiārahi:** Facilitator, navigator
- **Kaupapa:** Purpose, topic, policy.
- **Karakia:** Incantation, ritual chant, prayer.
- **Kaumātua:** Elderly plural/elderly singular.
- **Kawa:** Protocol, customs.
- **Marae:** Courtyard or open area in front of the meeting house (wharenui) but also used to describe the complex of buildings around the marae.
- **Materiality:** Information is material if its omission has the potential to affect the readers’ or stakeholders’ decisions.
- **Monetise:** Assign a financial value to something.
- **Net present value:** The value in today’s currency of money that is expected in the future minus the investment required to generate the activity.
- **Net social return ratio:** Net present value of the impact divided by total investment.
- **Outcome:** The changes resulting from an activity. The main types of change from the perspective of stakeholders are unintended (unexpected) and intended (expected), positive and negative change.
- **Outputs:** A way of describing the activity in relation to each stakeholder’s inputs in quantitative terms.
- **Outcome Indicator:** Well-defined measure of an outcome.
- **Proxy:** An approximation of value where an exact measure is impossible to obtain.
- **Scope:** The activities, timescale, boundaries and type of SROI analysis.
- **Sensitivity Analysis:** Process by which the sensitivity of an SROI model to changes in different variables is assessed.
- **Social return ratio / SROI ratio:** Total present value of the impact divided by total investment.
- **Stakeholders:** People, organisations or entities that experience change, whether positive or negative, as a result of the activity that is being analysed.
- **Tikanga:** Correct procedure, habit, lore, way, right.
- **Whānau:** Family, Friends
- **Whānau Ora:** Government whānau centred strategy to assist families to reach their aspirational goals.
- **Whanaungatanga:** Relationship, kinship ties, sense of family connection.



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