

# Impact

For a social enterprise to be a success it has to have a positive impact on the world. But how do you prove and communicate this? The RBS SE100 Index has set out to chart the effort of the sector in measuring and reporting its impact, and to celebrate those organisations forging a way forward in this complex field

**86%**

*of the organisations who filled in the impact questionnaire had a public statement about their social, environmental and ethical values*

Impact is at the heart of everything that social business is about. If you are not making an impact on the social or environmental issues you've been set up to address then, to be honest, what's the point?

So one would expect the way that all social enterprises communicate their impact to be strong and clear, especially when selling their goods and services.

If social enterprises are not reporting clearly, that doesn't mean they are not creating value or having an impact. But – as with financial accounts – the need for clear information is about more than external communication. Good data is necessary for good management.

A variety of techniques exist that organisations can use to capture the impact they are having. However, there is as yet no single, standardised method that can be universally understood or used to make comparisons.

So, rather than look at impact itself for the RBS SE100 Index, we decided instead to tease out how thoroughly social businesses were measuring and reporting.

We constructed a series of relatively basic, 'yes' or 'no' questions, from the most simple – do you have a public statement about your impact or added value as a social business? – to tasks that obviously required more effort – such as setting budgets, reporting regularly to the board, carrying out full scale impact measurement exercises and then getting it all checked by a registered social auditor.

The results were generally encouraging. A total of 269 organisations out of the 350 on the index submitted their impact reporting data.

Just four scored top marks (5/5) and another 31 scored 4/5. But the majority (86 per cent) of those who filled out the impact questionnaire had a public statement about their impact and two thirds (66 per cent) had targets on impact set by their board. Some 41 per cent produced a separate annual report or section of their report on social impact. And across the index, a total of more than £1.2m was spent on impact measurement.

Many organisations already have quite sophisticated ways of capturing their added value – community interest companies, for example,

**269**

*organisations filled in the impact questionnaire*

**35**

*organisations scored the top marks of 5/5 or 4/5 for their impact reporting which equates to 13 per cent of all entrants who filled in the social impact part of the form*

**166**

*out of the 269 organisations scored 3/5 or 2/5 for their impact reporting*

**68**

*out of the 269 organisations scored 1/5 or 0/5 for their impact reporting*

must provide some details in their annual returns for the CIC Regulator; charities are required to discuss how well they have delivered on their mission, values and objectives in their annual trustees' report.

Encouragingly, there are signs from the index that the newer social enterprises in particular view the collection and communication of data about their impact as something they should carry out as a matter of course – an important component of the well-oiled business machinery rather than a later bolt-on accessory.

Some 71 per cent of our newcomers filled in the impact questionnaire compared with the 79 per cent of those on the main index. And 68 per cent of the newcomers who completed the impact survey scored either 3/5 or 2/5, beating the 60 per cent figure for 3/5s and 2/5s on the main index.

Jeremy Nicholls, CEO of the SROI Network and advisor for the index, is generally impressed: 'When we started we said we could not expect too much and so kept the questions quite loose. But during the course of the index the bar has been raised and there appears to be more willingness. A real benefit of the index is that people can see that this agenda is important and that other companies are working on it.

'It also seems true that new companies are more up for it. They are putting systems in place and I think they are more open to the importance of this agenda.

'It's so important to tell the full story of the value that you create. All public investment, for example, is seeking to create change for residents and communities and we need to know whether the models we use are working'. ■

#### IMPACT LEADER TABLE

ORGANISATION	REGION	SCORE
Cosmic	South West	5/5
 FRC Group Champion	North West	5/5
Speaking Up	East	5/5
The Wise Group	Scotland	5/5
Belu Water Ltd	London	4/5
Bookdonors CIC	Scotland	4/5
Broomby	Yorks & Humber	4/5
Buchan Dial-a-Community Bus/ DAB Plus CIC	Scotland	4/5
Columba 1400	Scotland	4/5
Create Foundation CIC	Yorks & Humber	4/5
Croydon ARC	South East	4/5
Divine Chocolate	London	4/5
Elixir Foundations CIC	North West	4/5
Enjoy.co.uk CIC	North West	4/5
Frame of Mind CIC	South East	4/5
HCT Group	London	4/5
Hill Holt Wood	East Midlands	4/5
Mow & Grow	East	4/5
National Lobster Hatchery	South West	4/5
NWES	East	4/5
PrimeTimers	London	4/5
Recycle Fife	Scotland	4/5
Shared Interest	North East	5/5
Spruce Carpets	Scotland	4/5
The Big Life Group	North West	4/5
The Eden Project	South West	4/5
The Ethical Property Company PLC	South East	4/5
The Spartans Community Football Club	Scotland	4/5
The TREES Group	East Midlands	4/5
Theatro Technis Co Ltd	London	4/5
Training for Life	London	4/5
Triodos Bank	South West	4/5
Unlimited Potential	North West	4/5
Workwise (Suffolk)	East	4/5
York and District Mind	Yorks & Humber	4/5

To learn more about the SE100 organisations featured here see our full, dynamic, SE100 table online at [www.socialenterpriselive.com/se100](http://www.socialenterpriselive.com/se100)

**66%**

of the total who filled in the impact questionnaire give progress reports on impact targets to the board at every meeting

**41%**

of the total who filled in the impact questionnaire produce a separate annual report, or section of their annual report, on social impact

**8.5%**

of the total who filled in the impact questionnaire have their social impact reporting audited by a registered social auditor

**23%**

of the total who filled in the impact questionnaire have a way of putting a value on their impacts like SROI or an industry specific equivalent

**79**

entrants to the index spend money measuring their impact

**£15,527**

is the average spent by index entrants that measure their impact

**£1,226,608**

is the total amount spent by index entrants measuring their impact