

Supplementary Information: SROI Stages and Methodology

Supplement to Hanson, J. H., Collins, C., O'Hara, T., & Williams, M. N. (2025). Community farming in Northern Ireland: Definitions and impacts. *Journal of Agriculture, Food Systems, and Community Development*. Advance online publication. <https://doi.org/10.5304/jafscd.2025.142.007>

1.1 Overview

Social Return on Investment (SROI) is a structured process for assessing and quantifying the social and environmental value created by organisations and projects such as the CCF initiative. It involves several key stages as follows:

- **Scope and Stakeholder Identification:** Defining the analysis's scope and identifying relevant stakeholders to set clear objectives (in this case- CCF participating groups, beneficiaries & programme stakeholders etc).
- **Stakeholder Engagement:** Actively involving beneficiaries and partners to understand and prioritise outcomes (through our mixed-method approach to data collection and stakeholder consultation as noted).
- **Outcome Mapping:** Identifying and categorising the social, economic, and environmental impacts of the CCF activities (through workshops with key participant groups to develop our ToC as noted).
- **Valuation:** Assigning financial values to these outcomes, which can be challenging but essential for quantification (through utilising software as noted further in this report).
- **Benchmarking:** Comparing the outcomes with a counterfactual scenario to determine the net impact.
- **SROI Calculation:** Determining the SROI ratio by dividing the net benefits by the net costs, with a ratio above 1 indicating positive value creation.
- **Reporting:** Compiling the results into a report that communicates findings to stakeholders, including the SROI ratio, methodology, and narrative explaining changes (this report).
- **Feedback and Improvement:** Using SROI results for ongoing improvement, strategy enhancement, and impact monitoring.

Data Ownership: The SROI impact measurement process used data collected through the Cultivating Community Farming project. The project was funded by Co-op Foundation during 2022–2024. The data collected and case studies belong first of

all to the participating groups Jubilee Farm and Co-operative Alternatives as the recipient of the funding. Any third party use must be approved by Co-operative Alternatives, in advance.

SROI offers organisations such as Co-operative Alternatives, Jubilee Community Benefit Society and each of the participating groups a holistic perspective on the impact of the CCF initiative, beyond financial metrics, aiding in better decision-making, stakeholder communication, and continuous improvement. It helps each participating group and stakeholders within the CCF initiative to contribute meaningfully to society in Northern Ireland and the environment by understanding and maximising their social and environmental value.

1.2 National Social Value Standard

CiCo Consulting use the National Social Value Standard (SVS), which is a measurement framework for the appraisal of social value, at the forecasting, monitoring, and evaluation stages. SVS was developed by social value economists via the Loop software system,¹ using the latest government and academic best practices, such as the HM Treasury Green Book.

The aim of the SVS has been to provide a broad, robust and accessible measurement framework to help drive greater social value, in the right way. Beyond methodological alignment with guidance such as the HM Treasury Green Book, the metrics CiCo Consulting use through the SVS are mapped directly to a number of key frameworks. The SVS aims to increasingly become a one-stop shop for users trying to navigate the often-confusing world of endless social value and sustainability frameworks.

Frameworks the metrics are currently mapped to include:

- The United Nations Sustainable Development Goals (UN SDGs)
- The Four Capitals
- The Social Value Model (PPN 06/20)
- The UK National Themes, Outcomes and Measures (TOMs)

The SVS is a broad and versatile scope that can be used across industries and for a wide range of scenarios, such as the CCF intervention. It is a robust approach to monetisation, mitigating overclaiming and other pitfalls, and focusing on outcomes. Through SVS there is an increasing accessibility to the measurement of social value for all who need it, and it helps navigate what can be a confusing area.

¹ <https://loop.org.uk/software/>

1.3 Metrics Overview

The National Social Value Standard framework contains over 800 metrics for the CCF initiative to measure its social value with; 90% of those are also monetised. The metrics are grouped into five key areas as follows:

- Jobs, Apprenticeships, and Placements
- Workforce Wellbeing, Training, and Skills
- Supply Chain
- Community, Charity, and Other Stakeholders
- Environmental

Key definitions include:

Metrics: A measurement of value, which can be monetised or non-monetised. An alternative way of describing metrics could be “indicator.”

Monetised metrics: Monetising social value is the process of attaching a proxy financial value to an outcome. That value represents the relative importance of that change to those impacted. It does not show an actual financial return. See the monetisation section further within the full CCF report for more details (<https://www.coopalternatives.coop/cultivating-community-farming/>).

Non-monetised metrics: Metrics which are quantified but do not have a monetary value attached to them; for example, the percentage of people from under-represented groups employed in the workforce. The metrics cover all social, environmental, and economic pillars, which form the foundation of social value.

Social: Impacts on individual or community wellbeing; for example, the change in mental health to an individual after moving from unemployment to employment.

Environmental: Impacts that directly relate to the environment, such the level of carbon emissions or biodiversity impacts.

Economic: Impacts on public spending or economic output and productivity.

1.4 Monetization Process

A key strength of the National Social Value Standard measurement framework is its large bank of monetised metrics. As noted, “monetised metrics” is “monetising social value,” which is the process of attaching a proxy financial value to an outcome. That value represents the relative importance of that change to those impacted. It does not show an actual financial return.

The benefits of monetisation include:

- **The actual impact:** By using counterfactuals, additionality analysis, and economic treatments, a truer estimate of the actual impact can be created, compared to stopping at the output stage like ESG and other impact frameworks.
- **A communication tool:** Monetisation creates a common language that local communities, staff, funders, customers, contracting authorities, and other stakeholders can understand and get an intuitive sense of scale. It also enables greater discussion, bringing stakeholders who aren't experts into the conversation and decision-making process.
- **Improved decision-making:** By translating impact into a common unit, it is possible to compare like-for-like and therefore maximise social value. For example, when assessing investment into the CCF initiative initially, the holistic value and impact can be compared, with social value put alongside costs and overall returns.
- **Greater accountability:** Supports more effective monitoring of initiatives and commitments and holding all stakeholders and internal operations to account—traditionally a challenging area in social value.

Caveats: If monetisation isn't approached in a robust manner, then it can lead to misleading figures and overclaiming. It requires the right expertise and the use of the latest best practice guidance and research. This includes accepting that not all impacts can be monetised robustly and that a certain standard of data and methodology is required. It also relies on a number of assumptions about the nature of impacts and those that are impacted, though tailoring to an individual's different contexts can be built in.

1.5 Valuation Methodology

A number of economic valuation techniques are used in the Loop Software, varying from case to case based on what is most appropriate for the impact and context, and all aligned to HM Treasury Green Book guidance. As a market leader in software to measure social value, Loop is supported by a team of economists and social value qualified practitioners, partnered with Social Value UK, a member of GBC, and an approved UK government G-Cloud supplier. Through this system, the aim is to capture the total social, environmental, and economic value of the CCF initiative. Methodologies to measure that value can fall under both Social Cost Benefit Analysis (SCBA) and Social Cost Effectiveness Analysis (SCEA) and include:

- **Market prices:** Prices from the relevant market or a closely comparable market; for example, using transferable prices or public spending.
- **Revealed preference:** Techniques that involve inferring the implicit value placed on a good by people by examining their behaviour in a similar or related market.
- **Stated preference:** Research studies using surveys to learn how much people value something, and their willingness to pay for or accept changes; for example, using willingness to pay (WTP) or willingness to accept (WTA).
- **Subjective wellbeing:** Use of direct wellbeing-based responses to estimate relative value of nonmarket goods; for example, life satisfaction data or WELLBYs.

The data sources vary valuation to valuation and can include a combination of the following areas:

- **Academic literature:** For example, life satisfaction or QALY (quality-adjusted life-year) studies.
- **Public sector reports:** For example, the Office for National Statistics' (ONS) Index of Multiple Deprivation (IMD) or the UK Data Service.
- **Nonprofit and industry research:** For example, WRAP (Waste & Resources Action Programme) or the Centre for Mental Health.

A key step in mitigating overclaiming is conducting robust additionality analysis on every valuation within the metrics in order to isolate what level of change the intervention is actually responsible for. Factors within that include:

- **Deadweight:** Allowing for outcomes that would have taken place without the intervention, comparing with business as usual (BAU) or the 'do nothing' scenarios.
- **Attribution:** Considering the impact other organisations or stakeholders could have had in contributing to the social value generated.
- **Displacement:** The degree to which an increase in social value is offset by reductions elsewhere, for example, where a volunteering opportunity created in a specific area stops one being created in a neighbouring area.

- **Duration:** The duration of the outcomes resulting from interventions; these can be different from the duration of the intervention itself.
- **Drop-off:** Where the impact of interventions that last more than one year can reduce over time; for example, at 10% a year.
- **Marginal utility of income:** Taking into account that the value of an additional pound of income is higher for a low-income recipient and lower for a high-income recipient.

For example:

- Would this person have found employment or volunteering opportunities in any case (deadweight)?
- The CCF project that is hiring new people, how much have they influenced the employment market (attribution)?
- Has the job being created in this area stopped a job from being created in the neighbouring area (displacement)?
- Do the people who receive this increased income from employment gain higher utility per pound of the income received from employment (marginal utility of income)?
- How long will the benefits of that new job impact that person (duration)?
- If the impacts experienced by that individual extend beyond a year, do they start to have less of an effect over time (drop off)?

1.6 Economic Treatments

As noted, CiCo Consulting used the Loop system when calculating the SROI. The final stage of SROI is ensuring that the appropriate Green Book recommended economic treatments have been applied to the valuations and include:

Inflation: Inflation is the impact of the value of money declining over time (on average) and therefore average prices rising. The framework takes account of inflation by adjusting the base prices to the relevant base year of valuation.

Discounting: A technique that converts future values occurring over different periods of time to a present value. The framework uses the relevant discount rates recommended by the HM Treasury Green Book. These Social Time Preference Rates (STPR) account for:

- The human preference for value now rather than later.
- The certain catastrophic risks the future brings.
- The growth in the amount of consumption per person expected in the future and how much 'utility' people get out of this increase in consumption.