

## Return on Investment

for community sport and physical activity in England

# Good principles for calculating social and economic value (1 of 2)

We recommend partner organisations apply these principles\* to build a coherent and persuasive body of evidence when undertaking projects to calculate social and economic value.

### 1. Involve stakeholders (including us) and agree the scope of the project

You should identify those with an interest in the project and involve them throughout.

It's important you discuss and agree the scope of the project – what it will include and exclude – with your stakeholders.

Please consider the approach taken by Sport Industry Research Centre (SIRC) at Sheffield Hallam University when they produced the 'social and economic value of community sport and physical activity in England' report.

### 2. Develop a Theory of Change methodology

You should develop a Theory of Change, Logic Model or equivalent to show the relationships between inputs, activities, outputs and outcomes.

Once completed, you should test the model with your stakeholders.

A good model will help you:

- Identify and value things that matter
- Only include what is material (for example, things that, if omitted, would affect the decisions of stakeholders)

We recommend using the five outcomes set out in Sporting Future to provide a consistent basis for describing value.

#### Top tip:

**Sport England's Evaluation Framework includes a Logic Model template.**

### 3. Do not over-claim

It's important to consider the quality of evidence for inclusion in any model and the calculation of value.

What is the relevance and quality of evidence?

- Models based on inappropriate or poor-quality evidence will not stand up to scrutiny.

When deciding whether or not to include evidence in a value model, you should consider if the evidence is:

- valid to the population, activity, geography of interest?
- Defensible in design?
- Rigorous in conduct and analysis?
- Credible in claim?
- Transparent about any limitations?

#### Top tip:

**When establishing the scope of a project (point 1), focus on good evidence even if that means a narrower scope.**

\* Based on the Principles of Social Value [www.socialvalueuk.org/what-is-social-value/the-principles-of-social-value/](http://www.socialvalueuk.org/what-is-social-value/the-principles-of-social-value/)

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# Good principles for calculating social and economic value (2 of 2)

We recommend partner organisations apply these principles\* to build a coherent and persuasive body of evidence when undertaking projects to calculate social and economic value.

### Calculating value

Good models reach a clear position on issues affecting how values are calculated, these are likely to include (but are not limited to):

- Deadweight  
**What would have happened anyway?**
- Displacement  
**Has the activity replaced another?**
- Attribution  
**Percentage of outcomes attributable to this activity, rather than other activities.**
- Duration and drop off  
**Duration of outcomes and their drop-off over time.**
- Discounting  
**Present value of an outcome that will occur in the future.**
- Avoid double counting  
**Of inputs, outputs or outcomes.**

### 4. Be transparent

It is best practice to openly track and communicate the methodologies used to determine metrics, collection processes, analyses conducted, assumptions made and any limitations in the model developed.

### 5. Verify the result

You should seek external validation of the modelling approach and results.

This will increase the credibility of the model and identify areas for further improvement and development.

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