



GOVERNMENT OFFICE
FOR YORKSHIRE AND THE HUMBER



Yorkshire and the Humber Regional Forum

Social Accounting and Audit Pilot Project
2003 - 2004

Evaluation Report



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EXECUTIVE SUMMARY

In March 2003 the Yorkshire and Humber Regional Forum secured funding from Government Office for Yorkshire and Humber to run a pilot project to encourage organisations in the voluntary and community sector to undertake social auditing.

The Forum's aim was to raise awareness of social auditing within the voluntary and community sector, to encourage the sector to measure and demonstrate social impact, and to support a handful of organisations through the process to act as role models to encourage others to do likewise and so build a network of experienced practitioners in the region.

Community Business Scotland Network Services won the contract to deliver training in social auditing to a cluster of up to six organisations. Support was given through an initial two-day workshop and follow-up workshops with email and/or telephone consultation with and a visit to each participant organisation.

Without exception, participants felt they and their organisations had benefited from participating in the pilot project. All participants recognised the value of social accounting and independent verification by an audit panel but many also emphasised its intrinsic value as a business improvement tool. Those unable to complete the social accounting recognised the processes required significant resources, especially in staff time, that they were unable to commit during the pilot project's time scale but were determined to do so in the future.

The key aims of the Yorkshire and Humber Regional Forum were largely achieved. Although all participating organisations had not completed the process to produce audited reports, many presented their experience at a Social Audit Network event, held in Sheffield in October.

There was a general feeling was that social accounting and audit will continue to be important and many expressed concern that if it were to become mandatory the process would be de-valued.

The main findings are given in section 5.1 of the main report, followed by individual perceptions of participants, the provider and the Forum.

MAIN REPORT

1. INTRODUCTION

In 2003, following a conference on social accounting and audit, Community Business Scotland Network Services (CBSN) was approached by Yorkshire & the Humber Regional Forum regarding the possibility of running a pilot programme in the region.

Following negotiations, it was agreed the project would run from October 2003 to March 2004. The time scale was subsequently extended with agreement from Government Office for Yorkshire and the Humber, the funding organisation. The objectives of the project are given in the invitation to providers at Annex 4.

The evaluator joined the group in February 2004 with a view to undertaking research with the participants for her dissertation towards an MSc in urban regeneration. It was agreed the formal evaluation of the pilot project could be undertaken in conjunction with the MSc research.

This report forms the major written account of the evaluation of the Y&H Social Accounting and Audit pilot project.

2. CONTEXT

Often, it is helpful to the reader to have an understanding of the context in which a particular intervention or project has been operating. This section gives some definitions of social enterprise and an overview of initiatives as to how they might establish and prove their true value.

At the launch of the Social Enterprise Unit (9th October 2001), Douglas Alexander, the Minister responsible, defined social enterprise as:

“a business with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community (rather

than being driven by the need to deliver profit to shareholders and owners). There is no single model, but social enterprises may include co-operatives, mutuals, employee owned businesses and private companies limited by guarantee. They are seen as having the potential to play a key role in delivery of public services and generating wealth and improving life in disadvantaged communities.” (from www.dti.gov.uk)

This inclusive statement made clear that ownership or constitutional model are not the characteristics that define social enterprise but their social objectives and re-investment of profits, although the second sentence has been dropped from the DTI’s formal definition given in “Social EnterpriseA Strategy For Success” (www.dti.gov.uk 2002¹).

In his latest book, Pearce (2003²) distinguishes between social and community enterprises on the basis of geography, with the latter serving a very localised area. Pearce described community enterprises as a subset of social enterprises, which in turn form part of the social economy, itself a part of the third system operating in the global economy. It was, he argued, the values held by social enterprises that differentiated them from the private and public sectors.

Both the Government’s strategy document and MTL’s report (GOYH, 2002³) highlighted the need to establish the value of social enterprise. Some commentators (Spreckley, 1997⁴, Timms, 2003⁵) refer to this as “social auditing”. Others refer to it as “social accounting” (Evans, 2000⁶, Pearce, 2003⁷) to differentiate between self assessment of worth and independent verification of value attributed, in keeping with financial accounting and auditing protocols for commercial business. Another expression has been coined, by Aeron -Thomas et al (2003⁸), that of “social return on investment” which adopts and adapts the commercial concept of cost-benefit analysis. A number of recent publications deal with similar concepts: the Global Reporting Initiative (2003) provides a useful set of indicators on economic, environmental and social effects albeit aimed for larger organisations; Rob Paton (2003⁹) builds on the commercial sector’s “balanced scorecard” approach in which organisations consider the

range of perspectives that are important, usually finance, customers, learning and growth, and internal business processes. Paton customises the model for social enterprises into a “balanced dashboard” and the New Economics Foundation provides some guidance on how social enterprises might apply Paton’s proposals.

Each of the above examined how an individual organisation can measure its full value, taking into account non-financial benefits in some way or another. At a macro level, Evans (EURESCO 2001¹⁰) reported on the development of the concept of “social capital” and its relationship to social enterprises and the social economy. He identified three elements: that social enterprises may emerge from and use local social capital; social enterprises themselves generate social capital; and relationships between social enterprises generate social capital, which characterises a social economy. Pearce (2003¹¹) identifies five tangible elements of social capital as being: trust; reciprocity and mutuality; social networks; shared norms of behaviour; and a sense of commitment and belonging.

Black and Nicholls are “passionate advocates” (2004, p141¹²) of social reporting and see it as important as financial accounting or human resource management in any business. They offer three reasons why social reporting is essential:

1. done well, social reporting makes a social enterprise a better business and enhances the quality of its social impacts;
2. it can prove the worth of the social enterprise to the people who matter to it – the stakeholders – and so build trust; and
3. there is a moral obligation to undertake social reporting as most social enterprises have access to development funding from the public purse that is unavailable to commercial businesses and are exempt from some charges such as corporation tax or business rates.

“Social reporting” is the term given by Black and Nicholls to the process of social accounting and independent verification of the evidence produced. They

disagree with people who have attended their events who claim it is too much work for a small or fledgling social business to undertake as most businesses already gather (or should gather) a lot of information about performance and outputs. The model followed and advocated by Black and Nicholls is known as “The Scottish Model” as it was initially developed by Community Business Scotland and promoted by the Social Enterprise Network.

The pilot project in Yorkshire and the Humber used the Scottish Model and appointed Community Business Scotland Network Services to deliver training and other support to social enterprises in the region.

3. SCOPE OF THE EVALUATION

The evaluation was concerned only with the experiences of the participants on the pilot project. Cost and value for money considerations remain the responsibility of the Regional Forum.

Specifically, the brief was to:

- ✓ contact all participants (five organisations in total) in August and December 2004 for an update on progress with the audit process;
- ✓ update the information on the SEYH website accordingly by Jan 2005 with completed accounts where available;
- ✓ write-up should include an account of each.

Where information is available the full report for each org should cover:

- ✓ progress on the Audit i.e. complete or not and if not, at what stage;
- ✓ summary of the Organisations’ experience of undertaking the Audit
- ✓ benefits and negatives to the organisation;
- ✓ key learning points;
- ✓ contacts at the organisation (if willing);
- ✓ attach documents if available; and
- ✓ Report to Jenny Dobson at GOYH on progress of the project if required.

4. METHODOLOGY

Semi-structured interviews were used to collect information from each participant organisation. This method was chosen because the “sample” was pre-determined: 100% of participants remaining on the project, and it also allowed for free-flowing conversation between interviewer and interviewee whilst ensuring the same ground was covered in every discussion. The framework for the interviews is attached to this report at Annex 1.

In addition to the participants, the provider was also interviewed to ascertain their perceptions of the Y&H pilot. A copy of the framework for that interview is attached at Annex 2.

Similarly, the Yorkshire and Humber Regional Forum was given the opportunity to put forward its view of the project. This was done by postal questionnaire because of time constraints. A copy of the framework for that interview is attached at Annex 3.

At the time of writing this report, the final follow-up interviews have not been conducted. They will take place in December or January and will be summarised in an addendum to this report.

5. WHAT THE INTERVIEWS TOLD US

5.1 Key findings – general perceptions

How people found out about and joined the project varied from hearing about it quite formally at a Regional Forum conference and completing an application form, to “gate crashing” after finding out from a fellow social entrepreneur that it was happening. All but one of the participants interviewed joined the project before the first workshop.

With only one exception, attending participants found the initial two-day workshop invaluable in setting out the theory and practice of social accounting and auditing. They also found it a helpful overview of the tasks to be undertaken and the skills needed to complete them effectively.

Similarly, participants commented favourably upon the responsiveness of the consultants, by telephone and email. Interestingly, the consultants did not feel they had been used as much as they should have been and found it difficult to get hold of some participants. Their view was that contact would have been easier, particularly informal contact, had they been more locally based (their office is in Edinburgh).

The supporting materials – handbook and CD-ROM – were found to be useful by most participants, especially in the early days. Particularly helpful were the examples of questionnaires that gave participants a head start in designing their own – they were able to adapt existing questions rather than start with a completely blank sheet of paper.

The frequency of workshops was thought to be about right, with sufficient time to undertake tasks between. However, many participants admitted to not having done as much as anticipated in the intervals, which led to the provider recapping earlier content and – by agreement with the participants – cancelling the workshop scheduled for July to free up time to spend on a one-to-one basis with organisations and to read and comment on draft social accounts.

Everyone interviewed valued the opportunity to share experiences through the workshops although this diminished over time because of the lack of progress on the part of some and the time involved. The provider facilitated this by scheduling organisations through the workshop day and the participants agreeing anyone could sit in on other people's sessions.

At the time of the participants' interviews (6th July to 3rd September), none expected to have completed their social accounts and "gone to Panel" by the event planned for 14th October, when it had been hoped to present some Audit Certificates to promote social reporting. More detail is given in individual reports.

Unsurprisingly, all participants thought social accounting and audit was a good thing and would be a useful business improvement tool. There was a general feeling was that it will continue to be important and many expressed concern that it may become mandatory for contracting with councils (for example) and felt that would de-value the process.

All participants agreed it would be difficult to undertake a thorough social accounting and audit exercise every year; it would be more helpful to determine a rolling programme of activity that would focus on specific areas over a three year period.

5.2 Individual participant's progress and perspective

For ease of reference, this section sets out the findings from each participant organisation, in the chronological order interviewed, under the headings given in Section 3. Views included in the general perceptions above are not repeated in this section.

5.2.1 3 Bees, 6th July 2004

Progress on the Audit

3 Bees is a very new organisation but had begun the social accounting process and was working within Stage 1 at the time of interview. However, 3 Bees was established to help other social enterprises learn about social accounting and

audit and help them through the process. They were working with Green Top Community Circus and that organisation had re-examined its mission, core values and objectives and was about to move on to Stage 2 and look at the scope and capacity within the organisation. It was hoped both organisations would be ready to go to Audit Panel by the end of March 2005.

Summary of the Organisation's experience of undertaking the Audit

The participant found the process as much of a challenge as she expected. Working with Green Top helped her apply the theory and approaches given in the manual and CD-ROM and she saw immediate benefits from them clarifying the purpose of the organisation and identifying objectives and activities that will achieve their aims.

The interviewee would have liked the workshop sessions to be more practical, to actually do some of the work whilst the Provider was there to advise – although she did say they were very helpful by phone, email and one-to-one consultancy support.

Benefits and Negatives to the Organisation

As stated above, the interviewee witnessed clear benefits to Green Top Community Circus through them re-visiting the reasons why they existed, what their key aims were and the activities they would do to achieve them. That process significantly improved the management of the organisation in a very short time.

Key Learning Points

A social audit champion was identified in Green Top and 3 Bees would advocate that approach in any organisation as it entails a lot of work and needs someone to maintain momentum – not do all the work, but keep things moving.

Contact Details

Jen Richardson, 3 Bees, Unit 29, 53 Mowbray Street, Sheffield S3 8EN. E-mail: jen@3bees.org.uk Telephone: 0114-2814627.

5.2.2 SCEDU, 6th July 2004

Progress on the Audit

At the time of interview, SCEDU was in the process of undertaking social accounting activities in two of its seven sections: South Yorkshire Social Enterprise Network (SYSEN) and Northern Clusters had been identified as the most appropriate sections for the initial audit. Both sections were well on with the process, having identified the mission, aims, objectives, activities and stakeholders and carried out stakeholder surveys. At the time of interview, it was hoped both would be ready to go to Panel in late August.

Summary of the Organisation's experience of undertaking the Audit

Gaining staff commitment was the most difficult aspect for SCEDU as they were all very busy people and found it difficult to take on board a new initiative, led by a newcomer to the organisation. The participant personally found the initial workshop very helpful as he had no experience whatsoever in social accounting. He also found the consultants helpful regarding ideas for questionnaires for the stakeholder surveys.

Benefits and Negatives to the Organisation

It was the interviewee's opinion that the management of SCEDU had been helped enormously by the social audit process because the pilot coincided with the appointment of a new chief executive, who came from SYSEN. The process clarified SCEDU's purpose and perhaps contributed to the decision to merge SYSEN and Northern Clusters into one department. SYSEN/Northern clusters are now (at the time of interview) bidding for ERDF Priority 1 funding using the social audit process to demonstrate value for money and added value in terms of social objectives. Other benefits to SCEDU have included the formation of 3 Bees to assist other social enterprises to undertake social auditing.

Key Learning Points

To gain commitment throughout the organisation is important and the process began "at the bottom", quietly introducing the concept to staff and the kinds of

things they would need to do. On reflection, the interviewee believes it would have been better to start "at the top" which would have given weight to the work he was doing - he felt people cancelled meetings with him whereas they wouldn't have done so if he had the chief executive's clear authority.

Contact Details

Andy Bliss, SCEDU, 53 Mowbray Street, Sheffield S3 8EN. E-mail: Andy@scedu.demon.co.uk Telephone: 0114-2496087.

5.2.3 Sheffield Rebuild, 12th August 2004

Progress on the Audit

At the time of interview, the first very rough draft of the report was almost complete, to be sent to John Pearce within a week or two. Sheffield Rebuild felt John was "pushing" for completion to enable him to present certificates at an event in October but the interviewee didn't feel it would be up to the mark in time to go to Panel in September. The pack that was being prepared included survey results, the methodology, some of the analysis, some of the narrative, some of the introduction and the objectives. It didn't at that stage include any conclusions; the chief executive wanted reassurance from the consultants that he was on the right lines before he refined it any further. Sheffield Rebuild fully intended to finish the process and repeat it, probably annually.

Summary of the Organisation's experience of undertaking the Audit

Sheffield Rebuild was already a "data-rich" organisation but didn't gather softer information, views from beneficiaries and other stakeholders. The templates and other ideas offered through the pilot were very helpful in designing the surveys. The interviewee's personal view was that the process was very narrative based and lacked hard information. To be really effective in "mounting an argument for social return on investment", it would need more financial data.

Benefits and Negatives to the Organisation

The stakeholder consultations provided excellent feedback that seemed to be very candid. There was some negativity in the responses but it provided a factual perspective of how others perceive our organisation. The act of undertaking social accounting is well received by Sheffield City Council, a major customer. The interviewee saw it as one of a range of tools from which an organisation would pick to meet various needs: social accounting contributed effectively to self-analysis, business improvement and marketing. The real benefit was the engaging with stakeholders, creating a dialogue that had not been there previously.

Key Learning Points

To be really effective, the social accounting process as presented through the pilot project would need to be supplemented with other tools such as social return on investment or LM3 (local multiplier by New Economics Foundation). Ideally, Sheffield Rebuild would like to bring it together with key performance indicators used in the construction industry and LM3. The methodology for collecting information could be streamlined and the organisation realised that it held a lot of data but in different places and formats, which could also be regularised.

Contact Details

Gordon Wordsworth, Sheffield Rebuild, Woodburn Business Centre, Woodburn Road, Sheffield, S9 3HY. E-mail: Gordon.wordsworth@sheffieldrebuild.co.uk
Telephone: 0114-2800100.

5.2.4 Heeley City Farm, 12th August 2004

Progress on the Audit

At the time of interview, Heeley City Farm had done all the background work for the social accounts - the mission, aims, objectives and activities, but had become a little stuck with the stakeholder survey. They had identified over 100

stakeholders and felt daunted by the prospect of consulting so many and were unsure as to how to go about it. The main barrier was resources: - time to take on board the principles of social accounting as set out by the pilot project and to actually do it. The interviewee thought a reasonable time scale for completion of the audit would be around Christmastime.

Summary of the Organisation's experience of undertaking the Audit

Heeley City Farm had recently completed a Farm Plan and some revision of the Investor in People award so wanted to use work already done wherever possible. The IIP work fit well with the preparation for the social accounts but it was more difficult to utilise the Farm Plan. Stakeholders were plentiful and could be identified but there were many organisations with multiple stakeholders within them - for example the City Council's Education Department. Before joining the pilot project, the chief executive had researched the delivery organisation quite carefully. It was John Pearce's experience and credibility that brought Heeley City Farm to the project.

Benefits and Negatives to the Organisation

As a mature organisation with an IIP report saying it is good at staff appraisals, relationships and customer relations etc, the social accounting process didn't have any startling revelations. However, it had made them more aware of to whom they were accountable, or should be, and who should be accountable to Heeley City Farm. The interviewee's view was that, if contractors want to contract with a demonstrably socially responsible organisation, social audit might have a bearing. He went on to express concern that it would become devalued if it were made compulsory.

Key Learning Points

Attempting to survey all stakeholders in one round of social accounting is difficult - better to have a rolling programme to ensure all are included over a two or three year time scale. Using the organisation's website for some stakeholder feedback is a useful tool.

Contact Details

John Le Corney, Heeley City Farm, Richards Road, Heeley, Sheffield S2 3DT.
E-mail: John@heeleyfarm.org.uk Telephone: 0114-2580482.

5.2.5 CAMPITOR, 13th August 2004

Progress on the Audit

CAMPITOR had undergone some serious funding crises shortly after joining the pilot project and energies had understandably been directed at resolving those issues. Consequently, little progress had been made at the time of interview although the chief executive thought it might be completed within an 18-month time scale (i.e. toward the end of 2005).

Summary of the Organisation's experience of undertaking the Audit

Little practical activity had been undertaken since joining the pilot project so it was difficult for the interviewee to comment upon experience of undertaking the audit. However, he felt it necessary to comment upon the style of the workshops that he found a rather patronising "teacher-tell" method, inappropriate for the level of experience assembled in the room. He also believed it would be difficult to introduce the discipline of social accounting in a social enterprise environment with volunteer directors.

Benefits and Negatives to the Organisation

The participant found the manual very helpful - the best bit - as it provided notes and frameworks, to put a structure around what they already did (to some extent) and identify it as social accounting. He believed social audit would help in future applications for grant funding but wasn't convinced it would make much difference in social enterprise contracting if the buyer was more interested in return on investment than the ethics of the supplier.

Key Learning Points

Social accounting and audit is one model or tool to use for organisational development. Elements of it could be mixed with other tools to create an organic model for a particular organisation.

Contact Details

Rev Mike Croft, CAMPITOR Ltd., St Catherine's Church Centre, Doncaster Road, Wakefield, WF1 5HL. E-mail: info@campitor-ltd.com. Telephone: 01924-211130.

5.2.5 Attercliffe and Darnall Community Enterprise Ltd (ADCE),

3rd September 2004

Progress on the Audit

At the time of interview, a decision had been taken by the organisation not to prepare social accounts for audit for the 2003/2004 year. ADCE had undertaken social auditing previously and the chief executive was keen to share the experience and learning through the organisation so used the pilot project as a staff development opportunity.

Summary of the Organisation's experience of undertaking the Audit

Previous experience of social accounting and audit had been that it was an onerous process, especially writing up the findings from stakeholder consultation but, despite that, the organisation recognised it as an important and beneficial discipline.

Benefits and Negatives to the Organisation

Findings from the stakeholder consultations led to improvement of services and the activities raised their profile locally, which has helped them in terms of recruitment and marketing. It forced ADCE to monitor and evaluate activity properly - beyond "bean-counting".

Key Learning Points

To attempt a full audit in one year is too much and would result in a broad, shallow exercise that only scratched the surface of many aspects. It would be better to do in-depth analyses in rotation and publish something every year. That would also prevent the same set of stakeholders from being "bothered" every year.

Contact Details

Neil Berry, Attercliffe and Darnall Community Enterprise Ltd., 546 Attercliffe Road, Sheffield, S9 3QP. E-mail: Neil@adce-joblink.org.uk. Telephone: 0114-2494111.

5.3 The Provider's Perspective, 14th October 2004

When all the remaining participants had been interviewed, the views of the provider were sought, at the "Proving and Improving" event held at SCEDU on 14th October 2004.

The pilot project began with an approach by the Yorkshire and Humber Regional Forum to John Pearce following his talk at an event organised by the Forum. The provider was asked to devise and cost a programme to encourage and support social accounting and audit in Yorkshire and the Humber, which they duly did. The provider's recollection was that was followed by some confusion as to whether the work needed to go to tender but the provider insisted they had responded to a specific request and did not have time to go through a tender process when they had already written the proposal.

The key elements were formal training with limited one-to-one support. The provider's perception was that the Regional Forum would take a supportive role locally because they are based in Edinburgh. However, that didn't happen to the extent the provider had expected but he acknowledged that hadn't been set down in writing so perhaps that expectation hadn't been shared with the Forum. He also found it unusual that the contractor was also the organisation that wanted to

encourage other organisations to undertake social accounting but didn't have extensive resources to give anything in addition to organising the workshops. Had 3 Bees been in existence at the outset of the pilot, the provider believed the project would have been very different as it was CBSN's practice to encourage local organisations to provide local support. On reflection, it seemed to him that the Forum saw the pilot project as an awareness-raising activity and introducing the concept to social enterprises in the region, rather than anything they would continue on an ongoing basis. That said, he was keen to point out that the Forum's project manager had done as much as he thought she could have done, given she was part-time and this activity was just one of many she was managing. Had the pilot run to its original time scale, it would have been finished before she went on maternity leave.

The pilot ran behind schedule because participants did not complete the work expected between workshops. This meant that, instead of delivering the planned input on particular social accounting activities, the provider had to recap earlier workshops which became repetitive for regular attenders.

Alan believed the best thing to come out of the pilot project was the formation of 3 Bees and the impact it had on the organisation within SCEDU, bringing in additional staff to lead on social accounting.

During the interview, the provider offered his perception of how the project had benefited the participants:

Social Enterprise Leeds - he had a good rapport with this organisation and had high hopes for the social audit; however it was wound up shortly after the project began;

CAMPITOR - no surprise they hadn't got very far with the process given that the chief executive only attended one or two of the workshops, sending a curate along instead, but he wasn't engaged on the same activities so there was confusion within CAMPITOR. They also had a funding crisis that commanded attention;

ADCE - kept on sending different delegates to workshops to learn about the process. That was fine for ADCE but made continuity for the provider and other participants rather difficult;

Sheffield Rebuild – the provider was especially pleased such a large and well-respected social enterprise had joined the project and had assigned resources to social accounting;

SCEDU - embraced it seriously and were linking up with Community Business Scotland on other initiatives, they saw it as a market opportunity, hence support for 3 Bees;

Heeley City Farm - also had other issues that demanded attention so less progress made there than might have been expected, given the maturity of the organisation and the experience of its key personnel.

In summary, the provider was disappointed the cluster of organisations hadn't worked as well as similar approaches in other parts of the country. He believed that was attributable to a number of factors. Time was a big factor for all concerned - some participants had funding issues that had to take priority, the providers wanted to offer more through other avenues such as student placements but spent time chasing participants to arrange one-to-one support between workshops and so on. In the absence of a "champion" based in Sheffield (given all active participants were based in the city), the providers found it very hard to give informal assistance or respond effectively to ad-hoc requests.

The provider found the pilot project frustrating on a number of levels. The difficulty contacting some participants or getting a response from them had delayed progress. Leeds Enterprise Ltd had looked promising but went out of business. The apparent lack of interactivity between participants at workshops who had so much expertise and experience to share with each other and the provider but didn't appear to make full use of the opportunity.

However, he recognised a number of the participants had critical issues to deal with which meant they took priority over the social accounting. Everyone had

been great to work with, despite the setbacks and he believed all could complete social accounts for audit. His closing advice was for organisations to truly embed social accounting in their management practices as it can be the lifeblood of an organisation from which all other things can flow.

5.4 Yorkshire & Humber Regional Forum's Perspective, December 2004

Before completing the evaluation report it was important to obtain the views of the commissioning organisation, the Yorkshire and Humber Regional Forum. As the key member of staff responsible for the project was on maternity leave, a senior officer in the Forum completed the questionnaire (Annex 3) emailed to them on 19th November and returned to the evaluator on 21st December together with a copy of the provider's proposal, contract and application process.

The Forum wanted to raise awareness of the social audit process within the voluntary and community sector and encourage organisations within it to measure and demonstrate social impact. The Forum believed the pilot project would achieve these objectives by supporting a handful of organisations through the process and disseminating the good practice learnt.

Whilst disappointed that not all the participating organisations were able to undertake a social audit, the Forum believes the training has benefited individuals and the organisations for which they work.

The Forum was particularly pleased by the establishment of 3 Bees as a consequence of the project and hopes that organisation will continue the work started by the pilot.

Two providers expressed interest in delivering the project; Community Business Scotland Network Services was selected because of the existence of a network of social auditors and trainers and the widely tried and tested toolkit, devised by John Pearce of CBSN. The invitation to providers and the proposal from CBSN are attached at Annex 4.

A selection process for participants was devised that clearly stated the Forum's aims for the pilot project and the criteria for selection of up to six organisations. The documentation (reproduced at Annex 5) also sets out the support that would be offered to participants (although the Forum reported none took up the offer of additional help over and above the training and consultancy). The offer also described the commitment required from participating organisations. It is not clear from the information available how the opportunity for organisations to participate was publicised.

6. CONCLUSIONS

Without exception, participants felt they and their organisations had benefited from participating in the pilot project. All participants recognised the value of social accounting and independent verification by an audit panel but many also emphasised its intrinsic value as a business improvement tool. Those unable to complete the social accounting recognised the processes required significant resources, especially in staff time, that they were unable to commit during the pilot project's time scale but were determined to do so in the future.

The key aims of the Yorkshire and Humber Regional Forum were largely achieved. Although all participating organisations had not completed the process to produce audited reports, many presented their experience at the Social Audit Network event in October.

7. RECOMMENDATIONS

Activity across the region to support social enterprise has increased significantly recently. The Forum should offer its extensive voluntary and community networking capability to support organisations such as West Yorkshire Social Enterprise Link to ensure their assistance is made available to as many eligible groups as possible.

If the Forum runs a similar project again with providers from outside the region, it should nominate a local organisation to work with the main provider in offering day to day, ad-hoc support to participants. For example, if the project were run in South Yorkshire, 3 Bees would be well placed to offer such support.

Many participants on the pilot project found the prospect of "going to Panel" for verification of their social accounts rather daunting but valued the process of social accounting as a business improvement tool. To encourage the voluntary and community sector in the region to undertake social accounting activities, the Forum should publish on its website the summaries of the presentations given at the SAN event in October in addition to the audit reports of those who completed the process.

Social Audit Case Studies 2004

Semi-structured Interview Framework: Participants

All questions will be phrased as open questions, to enable the interviewee to talk freely about the focus of the question and any related issues.

The notes below each question are to assist the interviewer to ensure each interview covers at least all the points listed, some of which may be introduced “out of order” by the interviewee; the checklist will avoid repetition.

Where possible, and only with the agreement of the interviewee, interviews will be recorded.

The case study organisations will only be named in the dissertation if all of them agree to it, if not they will be assigned an anonymous reference.

Background information on each organisation will be collected prior to the semi-structured interview through a separate questionnaire.

Semi-structured Interview Framework	
1. How and why did your organisation become involved in the pilot project run by the Yorkshire and Humber Regional Forum?	
Undertaken any social auditing activities previously?	
If not, why not?	
Were you already aware of social auditing? (How?)	
2. How have you found the social accounting and auditing process in practice?	
Have you begun the social accounting and auditing process?	
How far have you got?	
Is it more or less difficult than expected? (give reasons)	
Will you complete the process? If so, expected audit date? If not, what is the key barrier?	
What has been most difficult/easiest aspect of the process (and why)?	

3. Questions relating to the support given through the pilot project.	
How have the workshops helped you and your organisation implement the social accounting and auditing process?	
In respect of most difficult aspect (above)?	
Which aspect was most/least helpful? (and why?)	
CD ROM	
Manual	
Frequency of workshops	
Content of workshops	
Peer group support	
Consultancy support	
Any extra help? – e.g. funding to pay temp staff to collate and analyse data	
Did you use the 5-step approach or the revised 3-step approach? (Did the change part way through the project cause any problems for you?)	
Was there anything you would have liked in the way of support that wasn't available to you?	
4. Did you or your organisation have any previous experience of quality assurance or similar Charter Mark processes prior to social auditing? If so, were there any similarities or overlaps?	
If yes what?	
Did they require similar information?	
Could they be dovetailed?	
How much new data was needed?	
5. How has the social accounting and auditing process helped the management of your organisation?	
Structured review	
Identified key stakeholders	
Feedback informed new activities (or continued/discontinued)	
6. Have there been any other benefits to the organisation?	
Any new contracts won with help of social audit?	
Easier to prove performance when challenged? – e.g. at public meetings or by funders	

May not have accrued yet – any expected?	
Briefly, how would you summarise your experience of social accounting and auditing?	
Do you intend to do it regularly? Annually? Bi-annually?	
Would you follow the “Scottish Model” again? (Or use another or modify this one?)	
How would you “sell” social accounting and auditing to other social enterprises?	
7. Having been a participant in this pilot project to encourage social enterprises to undertake social accounting and auditing, how would you structure support for others?	
8. Is there anything else you want to say about social accounting and auditing?	
Thank you for your time.	

Social Audit Case Studies 2004

Semi-structured Interview Framework: Provider

All questions will be phrased as open questions, to enable the interviewee to talk freely about the focus of the question and any related issues.

The notes below each question are to assist the interviewer to ensure each interview covers at least all the points listed, some of which may be introduced “out of order” by the interviewee; the checklist will avoid repetition.

Where possible, and only with the agreement of the interviewee, interviews will be recorded.

The case study organisations will only be named in the dissertation if all of them agree to it, if not they will be assigned an anonymous reference.

Background information on each organisation will be collected prior to the semi-structured interview through a separate questionnaire.

Semi-structured Interview Framework	
1.	How and why did your organisation become involved in the pilot project run by the Yorkshire and Humber Regional Forum?
2.	What were the key elements of the brief given to you by the Forum? Were you able to influence the brief? (In what way?)
3.	How were participants selected? Were you involved in that process?
4.	What were your objectives/expectations for the pilot programme? Were they achieved?
5.	Were there any elements of the programme that didn't go as well as anticipated? Did any go better than you thought they would?
6.	From your observations of the participants, what do you perceive to have been the biggest challenge for them in undertaking social accounting and audit?
7.	Were you able to offer additional help within the pilot project? What forms did that help take? Did many participants take up the offer?

8.	As the provider of the training, what are you own views regarding the success (or otherwise) of this pilot project? Should it be taken forward?
9.	If you were to run another programme, based on the experience of this pilot (and others, no doubt) - would you structure it differently?
10.	Is there anything at all you would like to say regarding the pilot project? - to feed into my report to the Regional Forum
Thank you for your time.	

Yorkshire and Humber Regional Forum Social Audit Pilot Project 2004

Email/Postal Questionnaire: Yorkshire and Humber Regional Forum

Semi-structured Interview Framework	
1.	Why did Yorkshire and Humber Regional Forum run the pilot social accounting and auditing project? What were the Forum's aims/objectives in doing so?
2.	What were the key elements of the project included in your brief to the consultants?
3.	What was the selection process for the consultants? What was the key differential feature of those appointed?
4.	How were participants selected?
5.	Were the respective roles of the consultants and Y&HRF agreed before the project commenced?
6.	Attendance at the workshops was the main funded activity, with one to one consultancy support available. Other help was offered to participant organisations such as funding to bring in additional help to undertake the work, analyse surveys etc. Did any participants ask Y&HRF for extra help?
7.	As the commissioner of the training, what are your own views regarding the success (or otherwise) of this pilot project?
8.	Assuming you think it has been successful, does Y&HRF intend to take it forward, if so, how?
9.	Is there anything at all you would like to say regarding the pilot project? -
Thank you for your time.	

Contract to provide Social Audit training to a cluster of Yorkshire and Humber organisations in 2003/2004

The Yorkshire and Humber Regional Forum on behalf of Government Office Yorkshire and Humber are inviting expressions of interest for the delivery of training to a cluster of up to six organisations in the Yorkshire and Humber region in undertaking Social Audits.

Objectives of the Project

- To train a number of Social Audit practitioners in the region in order to build a network of qualified Social Auditors in Yorkshire and the Humber.
- Each organisation will be required to produce a final Social Audit document to be reviewed by a Social Audit panel by Dec 2004.
- The resulting Social Audit documents will serve to showcase the Yorkshire and Humber Social Economy.

Specification for training and support

The successful provider will be required to deliver the training in 2003/2004.

The following training and support will be provided to the cluster:

- Two one day workshops
- Two two day workshops
- Provide around 5 hours of email and/or telephone support to each organisation
- Carry out one visit to each participating organisation
- Assist in the organisation of audit panels for each organisation
- A toolkit for organisations to work from in the trainer's absence

The successful provider will work in partnership with the Yorkshire and Humber Regional Forum. The Forum will arrange workshop times and venues and will also arrange additional meetings for the cluster as required.

Selection Criteria

The decision to award the contract will be made with consideration of the following criteria:

- Experience of similar contracts
- Ability to meet the objectives of the project
- Management capacity i.e. skills of key staff, organisation and ICT infrastructure
- Demonstrating and understanding of the nature and requirements of the participating organisations
- Proposals for a methodology which will match the objectives of the project
- Costs – Including demonstrating an ability to meet the objectives of the project within the stated budget

Budget

A total budget of £19,500 is available for this project. However, within this, direct support will be offered to participating organisations to include staff time costs, the production of a final document and payment for an audit panel chair, estimated at £1,000 per organisation. The budget will also cover the cost of local meetings and workshop venues.

Please send a written proposal to deliver out this contract by 28th March 2003 to:

Janette Cawcutt

The Yorkshire and Humber Regional Forum

2nd Floor, Goodbard House

15 Infirmary Street

Leeds LS1 2JS

Or to discuss further please call 0113 200 1383

Proposal from CBS Network Services to provide training in social accounting and audit to a cluster of organisations in Yorkshire and Humber during 2003/04.

Introduction

The core business of social enterprises and other social economy organisations is to achieve some form of social, community or environmental benefit. The organisation and all the people associated with it or affected by it (its stakeholders) need to know if it is achieving its objectives, if it is living up to its values and if those objectives and values are relevant and appropriate.

Social accounting and audit is a framework which allows an organisation to build on existing documentation and reporting and develop a process whereby it can *account* for its social performance, *report* on that performance and draw up an action plan to *improve* that performance, and through which it can understand its *impact* on the community and be *accountable* to its key stakeholders.

We understand that the **objectives** of the project are as follows:

- To train a number of Social Audit practitioners in the region in order to build a network of qualified Social Auditors in Yorkshire and the Humber.
- Each organisation will be required to produce a final Social Audit document to be reviewed by a Social Audit panel by Dec 2004.
- The resulting Social Audit documents will serve to showcase the Yorkshire and Humber Social Economy.

Previous experience of CBS Network

- John Pearce of CBSN devised and delivered the social audit training programme in Liverpool which has been accredited through the Open College Network. This programme is ongoing and is now being delivered by a local training team.
- John Pearce wrote the Social Audit Manual (including Workbook and CD) which will be used as the main training tool for the proposed work in Yorkshire and Humberside.
- CBSN has facilitated social accounting with clusters of organisation in Moray and Aberdeenshire, in Craigmillar (Edinburgh), in Castlemilk (Glasgow) and in Fife. Working with clusters has become a tried and tested method of delivering the training and offering support and give opportunities for peer support and mutual learning.
- CBSN runs regular two and one day training courses in social accounting and audit, the most recent having been in Leicestershire and Cumbria, and has recently started work with a new group of social economy organisations in the NE of England.
- John Pearce has also run training workshops extensively in Australia and in New Zealand where he also facilitated a pioneer cluster between 1996 and 1998.

- CBSN co-ordinates the national Social Audit Network.

Further information about CBSN's experience and work in this field may be found on our website: www.cbs-network.org.uk

The CBSN approach

Our approach to this project will be to seek to embed the skills of social accounting and audit within social economy organisations in the region such that future clusters may be facilitated and supported by a local delivery team. We would seek to use the experience of the social audit panels to train local individuals as social audit panelists and as prospective panel chairs.

The Project

We would propose using a minimum social accounting period of six months so that the training programme will run for between nine and eleven months. This allows 4-8 weeks prior to the social accounting period for initial planning and preparation and some 8-12 weeks after for writing the social accounts and arranging the audit. We would suggest a start in August/September with a social accounting period running from October to March 2004.

The project will consist of the following elements:

- a. CBSN to run a series of workshops to be attended by two people from each of six participating organisations. The programme will consist of two one day workshops, two two day workshops, and 30 hours of email and telephone support from CBSN personnel. In addition copies of the Social Audit Manual will be supplied to all participants.
- b. At least two to three individual visits to all participating organisations by CBSN facilitators.
- c. Arranging for social audit panels to verify the social accounts prepared for each organisation. The chairs of the panels will be drawn from the Social Audit Network's register of social auditors.

We understand that arrangements will be made locally by the Yorks and Humber Forum to hold occasional additional short progress meetings of the participating organisations and the Forum will make the practical arrangements for the workshops (e.g. venue, catering etc)

Budget

The budget for the project will be as follows:

Preparing for, delivering and facilitating the workshops, including all handouts and other materials, and expenses and fees for trainers/facilitators:	£5,700
Additional visits to the participating organisations: six days equivalent	£2,400
Cost of six social audit panels	£6,000
Total	£14,100

We would propose that £2,000 of the overall budget available to the Forum be reserved for the local costs of hiring venues and holding additional meetings, and that £3,400 be allocated as a contribution towards the costs of the participating organisations (for cost of some stakeholder consultations, for publishing the summary of the social accounts etc.)

Personnel

The lead trainers/facilitators for the Project will be John Pearce and Alan Kay of CBSN. Both have had extensive experience of social accounting and audit (see above) and both are on the SAN register of approved social auditors.

From time to time CBSN may engage colleagues from Liverpool to assist with either training or the one to one mentoring. All such colleagues will also be approved SAN social auditors.

The chairs of the social audit panels will be drawn from the SAN register.

Full CVs of John Pearce and Alan Kay can be made available if required.

John Pearce
For CBS Network Services
1 April 2003

**SUPPORT FOR SOCIAL ENTERPRISES IN THE YORKSHIRE AND HUMBER
REGION TO CARRY OUT A SOCIAL AUDIT
Request for Expression of Interest**

Social Audit is a framework which allows an organisation to build on existing documentation and reporting and develop a process whereby it can **account** for its social performance, **report** on that performance and draw up an action plan to **improve** on that performance. Through the Social Audit an organisation can understand its **impact** on the community and be **accountable** to its stakeholders.

The development of a cluster of organisations which have undergone a Social Audit will be an asset to the region's social economy and will form the basis on which a regional network of qualified Social Auditors can grow. Government Office Yorkshire and Humber are offering financial support for up to six social enterprises in the region to undertake a Social Audit. The support is being offered on the understanding that participating organisations are willing to allow the outcome of the Social Audit (a report documenting the organisation's activities) to be made available to other organisations operating in the social economy.

This scheme will finance the following project costs for each organisation:

- Two one day workshops.
- Two two day workshops.
- Around 5 hours of email and/or telephone support per organisation
- One visit to each participating organisation
- One audit panel chair per organisation
- Additional meeting arranged locally as needed
- A contribution towards the internal costs of the Social Audit

To qualify for support, organisations should meet the following criteria:

Successful applicants will be required to demonstrate that their organisation is committed to completing a Social Audit and that in addition to the resources made available by the scheme, internal resources will be committed to the project to ensure its completion. Additional costs that will be incurred by organisations will include the production of a Social Audit document, its distribution to stakeholders and staff costs over the period of the project. Organisations will also be required to demonstrate that they intend to continue the Social audit work beyond the lifetime of this supported project.

- At least 25% of the organisation's income is earned from trading activities or contracts
- The organisation employs at least four full time staff
- A member of staff is willing to be the lead worker on the Social Audit

In order to apply, please fill in the attaché form and briefly explain why you feel that the Social Audit process would be of help to your organisation.

Expressions of interest must be received at the address below before 19th March 2003.

**Janette Cawcutt
The Yorkshire and Humber Regional Forum
2nd Floor, Goodbard House
15 Infirmary Street
Leeds LS1 2JS**

For all enquiries, please contact Janette Cawcutt at the Regional Forum:

Email: janette.cawcutt@yhregforum.org.uk

Tel: 0113 200 1383

APPLICATIONS FOR EXPRESSIONS OF INTEREST FOR SUPPORT FOR SOCIAL ENTERPRISES IN THE YORKSHIRE AND HUMBER REGION TO CARRY OUT SOCIAL AUDIT

Organisation	
Address	
Tel	
Chief Executive	
Description of key activities	
Nominated Social Audit contact	
Turnover	
% of income generated through trading activities	
% of income earned through contracts	

Why do you feel that the Social audit process would be of benefit to your organisation?

Would you be willing to make the final Social Audit document available to the wider Social Economy and public sectors?	YES	NO
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