

Social Return on Investment Report

Together we're stronger

June 2019

Introduction

Rose Regeneration, an economic development consultancy, was commissioned to undertake a social return on investment analysis of the impact of Visit Lincoln. This report sets out their findings.

Visit Lincoln is the Destination Management Organisation for Lincoln. It also has a wider remit in partnership with others to promote the visitor experience across the County. The organisation was established as a Community Interest Company in 2018 and this report demonstrates how it has delivered its social purpose.

The outcome data has been taken from the Visit Lincoln Annual Review 2018 along with financial data from the organisation's accounts.

The development of the social value analysis is based on the principles set out in HM Treasury Magenta Book¹ using the Social Value Engine² an online tool developed by Rose Regeneration in conjunction with East Riding of Yorkshire Council and accredited by Social Value UK.

Operating Context

Visit Lincoln segments its work into 7 areas of activity and in the Annual Review identifies a number of outcomes in relation to each area of activity. These are as follows:

- Digital Media
- Campaigns, Print and Marketing
- Media and Public Relations
- Groups and Travel Trade Activity
- Contracts, Partnerships and Projects
- Business Tourism, Conferences and Events
- Visit Lincoln Corporate



The social value analysis identified a suite of measurable outcomes from each activity area. These are set out in the table below, which shows the net social value for each theme, the source from which the proxy for that outcome was chosen, the volume of the proxy and the hyperlink to the source for the proxy. Our rationale for choosing each proxy is set out on the next page:

¹ (<https://www.gov.uk/government/publications/the-magenta-book>) ² (<https://www.sveprocurement.co.uk/>)



Digital Media – whilst a number of activities could be used to imply a social return for this activity the one which is most verifiable is the distribution of 1,800 e-newsletters. We have assumed that each newsletter could stimulate at least one family visit to Lincoln and using the standard multiplier for the average size of a family (2.4) this enables us to identify (prior to the application of deflators) 4,320 visitors to the City, linked directly to this facility. The detailed dialogue which a newsletter provides (being sent twice monthly to recipients) to a group gives the opportunity for a more rounded engagement and relationship than a one off campaign or interaction. We therefore feel it is justified to link receipt of this newsletter to a wider and deeper appreciation of the City by this audience of tourists. The spending attributed to these visitors is derived from data in the Great Britain Tourism Survey.

Campaigns, Print and Marketing – The Annual Review identified 28 different campaign activities linked to the work of Visit Lincoln. Each of these campaigns is analogous to the incentive given to businesses to encourage them as employers to take direct action (in the case of this best fit proxy to employ someone). We believe this is a reasonable read across to the development of a campaign initiative to create a positive interest in Lincoln as a tourism destination, particularly when judged in relation to the intermediary bodies involved in



these actions such as organisations like Trip Adviser and attractions such as the International Bomber Command Centre.



Media and PR – There is a straightforward read across to the work to stimulate 19 press visits to Lincoln and the impact of TV advertising in raising awareness of a key initiative. The analysis uses the mid-range cost of an early evening advert to identify the social value delivered by each visit.



Group and Travel Trade

– One Visit Lincoln initiative alone – a coordinated WI visit to Lincoln stimulated 950 visitors. The analysis works on the basis of this number of visits as an average per month arising from the impact of the group travel influencing work of Visit Lincoln. The proxy is the average value of tourism spend derived from the Great Britain Tourism Survey.

Contracts, Partnerships and Projects

– The Annual Review identifies six major projects supported by Discover England Funding. Visit Lincoln has a role to play in the delivery of all these initiatives. We have used the value of tourism spend to create a job, as our proxy, based on the assumption that each project is likely to support the employment of at least one individual in the heritage sector through its delivery in Lincolnshire. The multiplier used to provide a social value for this proxy is derived from English Heritage.



Business Tourism – This area of work has a direct impact on the viability of the tourism infrastructure in Lincoln. We have decided that each of the 129 serious enquiries generated to date can be valued in the context of the incentives provided to businesses to influence their behaviour as a proxy.



Corporate Activity – We have chosen in relation to corporate activity to look at the support given to new members recruited to Visit Lincoln. We have used the value of business leadership training as the financial proxy to assess the value of the outcomes associated with this activity.

Theme and Net Social Value	Proxy Source	Proxy	Hyperlink
Digital Media £144,469	Great Britain Tourism Survey	Average Tourist Spend 4,320 family members (1,800 newsletter readers * 2.4)	https://www.visitbritain.org/sites/default/files/vb-corporate/260139488_-_kantar_tns_-_gbdvs_2017_annual_report_v8.pdf
Campaigns Print and Marketing £53,460	SROI Wiki Vois Database – The Work programme, DWP	Employer incentive costs (28 campaigns)	http://socialvalueengine.com/calculator/DWPthe-work-programme.pdf
Media and PR £40,270	ITV	Cost of an early evening advert (19 press visits)	file:///Users/ivanannibal/Downloads/ITV_Spot_Costs_-_2016%20(1).pdf
Group and Travel Trade Activity £381,239	Great Britain Tourism Survey	Average Tourism Spend (11,400 group visits 950/month)	https://www.visitbritain.org/sites/default/files/vb-corporate/260139488_-_kantar_tns_-_gbdvs_2017_annual_report_v8.pdf
Contracts, Partnerships and Projects £353,464	English Heritage, Heritage and the Economy	Spend to create a tourism job (6 major projects)	http://www.hlf.org.uk/heritage-and-economy#.VZBffVz4vll
Business Tourism, Conferences and Events £246,297	SROI Wiki Vois Database – The Work programme, DWP	Employer Incentives (129 business enquiries)	http://socialvalueengine.com/calculator/DWPthe-work-programme.pdf
Corporate £237,661	London Business School	London Business School, Essentials of Leadership (41 members)	http://socialvalueengine.com/calculator/Essentials%20of%20Leadership%20London%20Business%20School.pdf
Social Value £1,278,503	Cost £240,000	SROI £5.33/£1	
Deadweight 25%, Attribution 10%, Drop Off 25%			

Through a detailed discussion within the organisation each of the outcomes was tested for both materiality (the extent to which it provides a substantial and justifiable basis for defining an area of impact) and sensitivity (the extent to which the use of financial proxies, their volumes and the application of discounts to take account of deadweight, attribution and drop off provide a credible picture of impact).

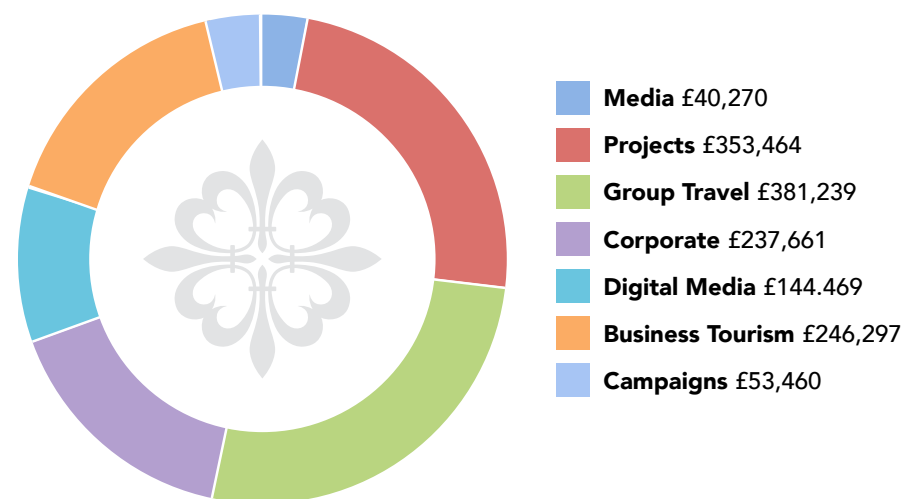
Based on a detailed consideration of the context and nature of the operating environment of Visit Lincoln the gross value of each impact was “deflated” to take account of:

- **Deadweight** – the extent to which the outcome would have been achieved without Visit Lincoln
- **Attribution** – the extent to which some of the credit for the outcome ought to be attributed to other organisations
- **Drop Off** – the extent to which the outcome will diminish over time

The net value of the outcomes was then divided by the cost of operation by Visit Lincoln to produce a social return on investment ratio. **This led to the identification of a Social Value of £5.33 for each £1 invested.**

The distribution of social value achieved by the organisation is set out against each of the 7 operational themes in the diagram below:

Visit Lincoln: Social Return on Investment: £5.33/£1



Application of Deflators

We based our assumptions on the deflators on the following rationale.

Deadweight – evidence from the Visit Lincoln membership base suggests significant support for the organisation from tourism businesses and no significant competitors. It is clear from an analysis of the outcomes achieved by the organisation that there are limited opportunities for the key constituents who have interacted with the organisation (such as attractions, media and venues) to have made the achievements specified without access to a Destination Management Organisation. Deflating the gross outcomes by as much as 25% in this scenario could be seen as somewhat too harsh however it is important in the interests of credibility not to over-claim in relation to impact.

Attribution – as Visit Lincoln is the only DMO with a remit to deliver tourism outcomes in Lincoln and there is very little evidence of any form of competition we felt it appropriate to make a very modest judgement of how much of the value of the outcomes should be allocated to third parties. It is however important to acknowledge the role of other players who are involved “at arms length” with the direct delivery work of the organisation such as local authority partners and

neighbourhood organisations, for example Bailgate Area Guild. We have therefore applied an attribution deflator of 10%.

Drop Off – Lincoln is now well established as a mature visitor destination. We feel that any investment which strengthens the credentials of the area will also have a long term impact which benefits the community. In view of this but to avoid a criticism for being too “bullish” after a focused discussion with key informants in the sector and partners we felt that the application of a drop off figure of 25% was a reasonable approach.

Materiality

The Visit Lincoln Annual Review 2018 contains over 60 pages of data on activity and impact. On the basis of our long association with the organisation and a dialogue with a number of its clients we chose the outcomes specified in this report because they represent the community benefits from the work of the organisation.

These outcomes are clearly measurable and can be seen to be highly characteristic of the work of Visit Lincoln. Many of the other activities in the report such as website hits and print distribution are important but lend themselves more to a measurement of economic than social benefit.

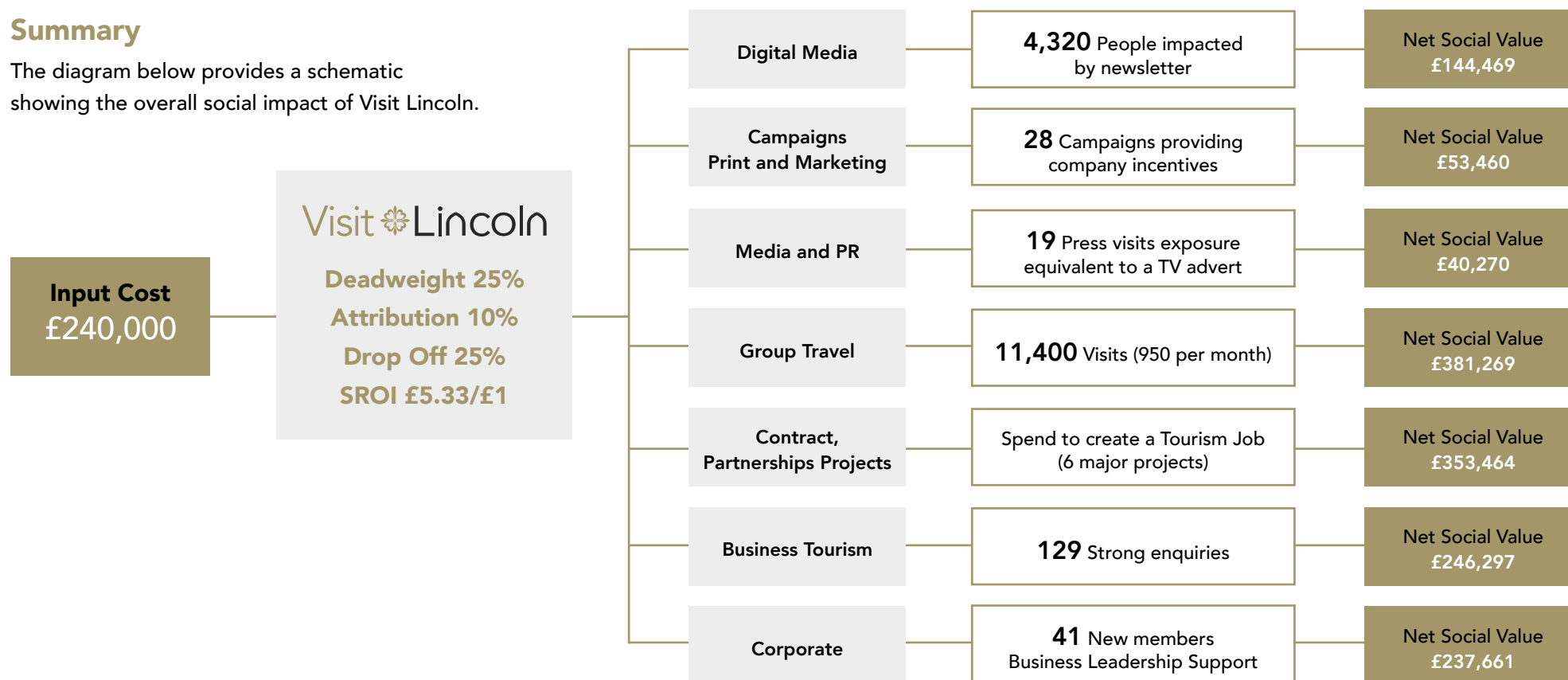
The application of a social lens shows some modest areas of budget activity (Group Travel and Business Tourism), both of which open up new markets and recognition for Lincoln through direct engagement with specific audiences, have a disproportionately significant impact. This is when compared to those activities which use web or press media to raise awareness more generally about the area as a destination.

Sensitivity

The breadth of social impacts by value within our analysis means that alterations to key deflators have a limited impact on the relative importance of each outcome area identified. Projects, Group Travel, Business Tourism and Corporate Initiatives account for the lion’s share of the social value delivered by Visit Lincoln. Interestingly all these areas involve direct interaction with specific categories of individuals respectively these are: major projects linked to Discover England Funding, work with travel operators, work with business visitors and work with local business members.

Summary

The diagram below provides a schematic showing the overall social impact of Visit Lincoln.



Economic Impact

The Social Value Engine also provides a link to the Office for National Statistics economic multipliers for each economic sector. Placing the work of Visit Lincoln in the creative, arts and entertainment sector shows that the organisation has an economic impact of £1.45 for each £1 spent.



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