The Social Value of Spaces and Places

Understanding social value and the impact of community spaces

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SPORT NEW ZEALAND IHI AOTEAROA

Te Kāwanatanga o Aotearoa
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Introduction

Across Aotearoa New Zealand, there is growing recognition that helping people live healthier, happier lives also makes sound economic sense. Over the past 4 years, Sport New Zealand Ihi Aotearoa has been exploring ways to measure this impact, with one of the most useful approaches, subjective wellbeing. Subjective wellbeing helps us understand how people feel when they're physically active and socially connected.

Investing in sport and recreation not only enriches lives, it also makes sound economic sense. Over the past 4 years, Sport NZ has explored ways to measure this impact, with 1 of the most valuable approaches being subjective wellbeing. This measure helps us understand how people feel when they're physically active and socially connected.

Recent research paints a clear picture – sport and recreation significantly improves wellbeing, strengthens social ties and delivers economic benefits. In today's challenging financial climate, it's more important than ever to make the most of the facilities we already have.

2 new Social Return on Investment (SROI) reports show that when we invest in maintaining and upgrading community spaces (such as aquatics, parks, courts, clubroom, and shared facilities) the returns go far beyond dollars. We see:

- healthier, more active people
- stronger, more connected communities
- long-term cost saving and lasting value.

Real-world projects

To better understand the social value and SROI of sport and recreation facilities, Sport NZ explored 2 real-world examples:

- Taranaki aquatic facilities
- proposed Tairāwhiti Indoor Multipurpose Centre for Gisborne District Council.

These examples represent typical community facilities - swimming pools in smaller centres and indoor courts in regions where sport facilities are lacking. Both align closely with sector priorities, especially because they are in communities outside major cities.

These projects build on earlier strategic planning. Specialist consultants used a combination of proven assessment tools to guide the work. Our goal is to equip councils and sport and recreation organisations with a clearer understanding of how investment in community spaces can deliver long-lasting returns, especially in times of financial pressure. The insights gained will support advocacy efforts, inform funding proposals and enhance local evaluation frameworks.

Taranaki aquatic facilities SROI report

This report focuses on 4 public indoor aquatic facilities in the Taranaki region that are supported by council funding:

- Todd Energy Aquatic Centre (TEAC)
- Hāwera Aquatic Centre
- Wai O Rua – Stratford Aquatic Centre
- Methanex Bell Block Aquatic Centre.

These year-round, publicly accessible facilities were selected for their important role in promoting community wellbeing, health and economic productivity. Unlike seasonal pools, their all-year operation provides reliable visitation data, giving a more accurate SROI analysis. The study estimates wellbeing outcomes from 1 July 2023 to 30 June 2024.

Tairāwhiti Indoor Multipurpose Centre feasibility report

This feasibility report estimates the potential SROI of a proposed indoor centre in Tairāwhiti Gisborne, set to open by August 2029. With the lowest per capita rate of public indoor courts in New Zealand, the region currently lacks a facility for hosting local and inter-regional competitions.

Using data from a demand and supply assessment, the study projects wellbeing outcomes for the first year of operation (July 2029–July 2030). The centre will cater for a wide range of activities, including basketball, netball, futsal and kapa haka, and is expected to significantly boost local participation.

SROI methodology

To demonstrate the flexibility of SROI analysis for spaces and places, we applied a different approach to each of the case studies – a regional network approach and a single facility approach.

Regional network approach – Taranaki aquatic facilities

For this analysis, we used a regional tool built on a population model to assess the social value across multiple aquatic facilities and councils. Data sources included:

- council-supplied visitor numbers, visit types, frequency of use, membership details, revenue and operating costs
- human movement data on acceptable travel times
- demographic information
- QV property value estimates.

This broad approach helped capture the collective impact of several facilities operating as a network.

Single facility approach – Tairāwhiti Indoor Multipurpose Centre

For the Tairāwhiti Indoor Multipurpose Centre, we used Sport NZ's Social Value Bank tool to assess the projected impact of a single facility. This method is suitable for both:

- existing facilities that need further investment (using real customer management system data)
- proposed facilities at the feasibility or business case stage (using projected data from those studies).

Once the facility is built, the projected data can be updated with real visitation figures.

SROI process and guiding principles

Calculating SROI is a step-by-step process built around 6 key stages. These stages are informed by the Principles of Social Value, which are recognised international standards from Social Value UK and Social Value International.[1]

These principles ensure SROI decisions reflect wider impacts such as equity, wellbeing and environmental sustainability, giving a fuller picture of value beyond the financial.

The stages in SROI	Description of stages
1 **Establishing scope and identifying key stakeholders**	Setting clear boundaries about what the SROI analysis will cover, who will be involved in the process and how.
2 **Mapping outcomes**	Through engaging with the stakeholders, developing an impact map (also called theory of change) which shows the relationship between inputs, outputs and outcomes.
3 **Evidencing outcomes and giving them a value**	Finding data to show whether outcomes have happened, and then valuing them.
4 **Establishing impact**	Eliminating all aspects of change that would have happened anyway or are a result of other factors.
5 **Calculating the SROI**	Adding all the benefits, subtracting any negatives, comparing the result to the investment and performing sensitivity analysis.
6 **Reporting, using and embedding**	Sharing findings with stakeholders and responding to them, embedding good outcomes processes and verification of the report.

Table 1: Fundamental stages of SROI (Nicholls et al 2018)

1 The Principles of Social Value — Social Value International

Validating the SROI model

To make sure our SROI estimates were robust, we applied sensitivity analysis – a method for testing how changes in key assumptions might affect the outcomes. Specifically, we looked at:

- shifts in participation rates
- overlap of individuals involved in more than one sport or activity
- changes in the estimated costs of building the facility.

This analysis helped us understand how different scenarios could impact the overall social return.

Calculating the impact

We took a cautious and conservative approach to estimating social value. Where solid data was available, such as operational data from councils, we used it directly in the model. In cases where data hadn't been collected yet, we made informed but conservative assumptions to avoid overstating impact.

Understanding net social value

Net social value represents the total benefit a facility delivers to the community, after subtracting the costs, which include local government operational spending, cost of volunteers, and capital investments as well as a proportion of household expenditure. In simple terms:

Net Social Value = Total Social Benefits – Total Financial Inputs where Financial Inputs include:

- capital costs (the cost of building the facility)
- operating costs (the cost to run and maintain it)
- other relevant expenditures.

Calculating the impact for Taranaki region

Calculating net social value for the Taranaki aquatic facilities region

$34 million in outcomes **- $28 million** in inputs **= $6 million** in net social value

In the case of Taranaki's aquatic facilities, investment has generated the net social value of $6 million.

Calculating the SROI ratio

To determine the SROI ratio, we divided the total value of all measured outcomes by the total financial inputs, including capital expenditure, operating costs and other related investments.

SROI ratio = total social value ÷ total financial inputs

Calculating impact

For every $1 spent on investment in public indoor aquatic facilities, $1.22 worth of social impacts is generated in the Taranaki region.

$34 million of outcomes ÷ $28 million of inputs = $1.22

Social Return on Investment (SROI): Taranaki aquatic facilities 2022/23

SROI outcomes
$34 million

Estimated value for measuring the impact of public, indoor aquatic facilities within the Taranaki region, based on empirical evidence.

Social

Aquatic facilities play a crucial role in fostering social interactions, leading to stronger community bonds and sense of belonging. Social benefits are valued at $10.22 million.

Economic value of social capital — $1.9m

The enhanced social capital from aquatic activities, valued at approximately $1.9 million, reflects its positive impact on the community.

Life satisfaction for adults — $4.85m

Adult participants in aquatic activities report increased life satisfaction, valued at $4.85 million.

Youth happiness improvement — $3.48m

Young people involved in aquatic activities experience improved happiness, valued at $3.48 million.

Not valued

Improved life satisfaction for volunteers

Volunteers such as lifeguards, coaches and those supporting sports club also experience increased life satisfaction.

Health

The total health benefits from aquatic facilities are valued at $17 million, showing significant community health improvements.

Quality of life — $14.06

The increase in quality of life and life expectancy from physical activity amounts to $14.06 million.

Disease prevention — $1.15m

Preventing diseases related to physical inactivity contributes an additional $1.15 million in overall health benefits. Engaging in regular aquatic activities helps prevent chronic illnesses such as cardiovascular diseases, diabetes and obesity, thereby reducing healthcare costs and improving overall public health.

Individual activity benefits — $1.82m

Participating in individual activities accounts for $1.82 million in benefits promoting personal health and fitness.

Prevention of drowning through water safety training — $0.04m

Prevention of drowning through the provision of water safety education amounts to $0.04 million.

Economic

Aquatic facilities contribute significantly to the economy, with benefits amounting to $6.77 million in work, care and volunteering.

Employee value **$4.59m**

The value of employees linked to aquatic facilities is estimated at $4.59 million, showcasing their value in the workforce.

Volunteer value **$0.69m**

The replacement value of volunteering, should the volunteers be employed, is valued at $0.69 million.

Reduced absenteeism due to improved wellbeing **$1.5m**

There is a higher productivity output from reduced absenteeism for those that participate in aquatic physical activity, valued at $1.5 million.

Affordability and accessibility

Ensuring public aquatic facilities are affordable is crucial for community engagement and maximising health benefits.

SROI inputs
$28 million per annum

The net cost of stakeholders' contribution to provide opportunities for engagement in aquatic activity.

SROI ratio
1:1.22

For every $1 invested in Taranaki aquatic facilities, $1.22 worth of social impacts is generated.

Taranaki region general population **$16.8m**

Household expenditure on swimming activity charges, equipment, clothing, footwear and travel in 2023.

Voluntary sports clubs **$0.69**

Replacement cost of Aquatic volunteers for aquatic sports clubs operating in the specified aquatic facilities.

Local government **$8.5m**

Local government spending on operation of specified aquatic facilities per annum (including wages).

Local government, central government, private sector and funders (mix of income streams for building facility)* **$2m**

Construction (current rebuild cost estimated using QV).

*Distributed across the 50-year life span of the facility

Investment in aquatic facilities across the Taranaki region has generated an estimated $6 million in social value.

While aquatic facilities are expensive, their social value surpasses the costs. These facilities are generating enough social value to ensure they are breaking even and better.

This shows the wide-ranging positive impacts of indoor aquatic facilities – from better health and higher life satisfaction to improved social connection and economic productivity. By continuing to invest in and maintain these spaces, councils can help build more active, inclusive and resilient communities, benefitting people from all walks of life.

Social Return on Investment (SROI): Tairāwhiti Indoor Multipurpose Centre 2029

SROI outcomes
$13.1 million

Estimated value for measuring the impact of of a proposed indoor multipurpose centre in Gisborne, based on empirical evidence.

Getting involved in sport	
Played competitive sport	**$4.58m**
Participated in group activity	**$1.39m**
Reduced barriers to being active due to lack of facilities	**$1.84m**
Attitudes to physical activity	**$4.37m**
Increased opportunity to engage in preferred activity	
Health	**$0.13m**
Improved health	
Social	**$0.94m**
More able to express cultural identity	

SROI inputs
$1.2 million per annum*

The net cost of stakeholders' contributions.

Local government	**$793,706**
Projected operation of facility (feasibility analysis)	
Local government, central government, private sector and funders (mix of income streams for building facility)*	**$412,000**
Estimated construction (feasibility analysis)	

*Distributed across the 50-year life span of the facility

SROI Ratio
1 : 10.60

For every $1 invested, the centre is projected to return $10.60 in social benefits.

Council investment in the proposed Tairāwhiti Indoor Multipurpose Centre is estimated to generate **$12 million** in social value for Gisborne.

Much of this value comes from giving people more chances to take part in their chosen physical activities and competitive sports. As the centre becomes operational, it is expected that a clearer picture will emerge – particularly around how many people are positively affected through cultural engagement and improved physical health. These insights will be captured in the evaluation of the centre's first year.

What we have learnt

For organisations wanting to carry out an SROI study, there are 4 important requirements to get the most meaningful results.

1. Define 3 or 4 clear outcomes that your project aims to deliver. These help shape the focus of the study and identify what to measure.
2. Have a clear theory of change – a model that explains how your project will lead to positive outcomes. More information is available at Logic Models and Theory of Change | What Works.
3. Stay closely connected to participants. You will need to collect information from them before and after your project runs. Each outcome will have a validated question, asked at both stages, to show individual changes.
4. Ensure you have the staff and resources to effectively handle data collection and evaluation.

Common factors that improve impact

To maximise social value, both case studies show that the facility needs to be:

- located where people can easily access it
- affordable for users
- welcoming to all people
- responsive to community needs, with appropriate programmes
- clean, safe and comfortable (right temperature, appealing layout and designed to suit its purpose).

The process

While there are 6 key stages to conducting an SROI analysis, the process itself is time-intensive and involves continuous refinement. It is not a one-off calculation but is iterative, requiring patience and commitment. Here's what to expect along the way.

- Develop a base model.
- Review preliminary results.
- Fill in data gaps and adjust metrics.
- Refine the model.
- Account for displacement (where benefits may be reduced due to shifting use).
- Test for uncertainty using different scenarios.
- Refine the model again.
- Gather feedback from stakeholders.
- Refine once more based on insights.

Because the initial variables, whether estimated or drawn from actual evaluation, play a central role in calculating impact, it is vital that the data is as complete and accurate as possible.

Using the Sport NZ Social Value Bank tool means organisations must evaluate how their activities help individuals change over time. This requires a strong commitment from everyone involved in the process, including staff and leadership, to see it through fully.

Data collection

Data collection findings from both case studies show that stronger data inputs can help SROI models more accurately reflect the true impact of community facilities. To improve future analyses, we make the following recommendations.

Strengthen data collection methods

Invest in ways to better capture the full range of social, health and economic benefits that facilities provide.

Measure outcomes for young people

Create tailored strategies to recognise and value the benefits young people gain from participating in physical activities at community facilities.

Track physical activity levels

Monitor how well facility users meet national physical activity guidelines. This helps to more accurately estimate health-related impacts.

Include culturally distinctive outcomes

Ensure the measurement process reflects the unique wellbeing outcomes for Māori and Pasifika communities, supporting inclusive and culturally meaningful evaluation.

Highlight accessibility benefits

Understand the added social value of making aquatic facilities easy to access, particularly for those with limited mobility or other barriers. This supports equity and inclusion across the population.

How SROI can be used

SROI is a powerful tool for making the case for funding and ongoing support of community facilities. By showing the real-world benefits – financial, social and health-related – it helps decision-makers see the true value behind every dollar invested.

Take Taranaki as an example: if the region's aquatic facilities didn't exist, the community would lose an estimated **$34 million** in social value, across 1 year (based on 2023-2024 calculations). That's not just a number – it represents fewer opportunities for people to stay healthy, connect with others and contribute to the local economy.

Facilities like those in Taranaki and Gisborne are more than buildings – they are hubs for community wellbeing. Without them:

- people have fewer chances to bond, feel supported, and build a sense of belonging
- regular physical activity drops, increasing the risk of health issues and associated costs
- economic benefits like local jobs and volunteer opportunities are lost.

Using SROI data alongside other research strengthens the case for investment by showing how these spaces improve lives in measurable ways. It is an opportunity to speak the language of both community wellbeing and smart financial

planning.

Key points to consider when using SROI

Highlighting social benefits

Emphasise how facilities help strengthen community connection, enhance wellbeing, support youth development and encourage inclusion across demographics.

Demonstrating economic impact

Show how investment returns extend beyond financial gain, through job creation, volunteer engagement, increased productivity and reduced social costs.

Showcasing health benefits

Reinforce the value of physical activity in improving physical and mental health, reducing long-term health costs, and supporting active lifestyles.

Evidence-based decision-making

Use SROI analysis, feasibility studies and user data to guide funding decisions and validate the outcomes of infrastructure investments.

Aligning with strategic goals

Link findings with regional, national and sector-wide strategies to demonstrate how facilities contribute to long-term priorities, like equity, wellbeing, access and resilience.

Conclusion

Investing in community facilities, especially aquatic centres, brings wide-ranging benefits that go far beyond bricks and mortar. These spaces help people connect, improve their health, boost local economies, and support broader goals like equity, wellbeing, access and resilience.

Tools like SROI make it possible to measure these outcomes and build a strong case for continued investment. The findings show that facilities contribute significantly to social capital, health outcomes and economic value. They are vital to the fabric of our communities.

As the SROI approach becomes more sophisticated and data collection improves, sector organisations will be even better equipped to demonstrate the real-world impact of their work. Supporting and growing these spaces is not just a financial commitment – it is a promise to create thriving, active and connected communities across Aotearoa New Zealand.

Who was involved

The Taranaki SROI study was carried out by Sport NZ in collaboration with Sport Taranaki, the New Plymouth District Council, South Taranaki District Council and Stratford District Council. It was developed alongside the Taranaki Regional Aquatics Plan, led by RSL Consulting. To support the analysis, Data Consulting Limited provided human movement data.

The Gisborne study was undertaken by Sport NZ for the Gisborne District Council, focusing on the proposed development of the region's indoor multipurpose centre.

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