Social Return on Investment (SROI) of

Opening Doors & Employment Solutions

Social Return on Investment (SROI) is a technique that can be used to understand the return on investment and the impacts of a project, organisation or policy. This includes understanding both social impacts as well as financial cost / benefit. We have been working on SROI evaluations of projects funded through the Innovation Fund to understand the impact of supporting small innovative projects, who benefits and how.

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1. Opening Doors Summary

Social Return on Investment (SROI) explores the social and financial value created by a project and compares this value to the value of the investment. The methodology is principle based and aims to understand and describe the story of change for individuals and communities to understand how change is created.

Opening Doors SROI Summary

£16,290 was awarded to Opening Doors from the Innovation Fund. In addition to this, **1,280** hours of volunteers time was committed to delivering the project which can be valued at approximately **£8,076**. Taking into account the most important outcomes to stakeholders, and avoiding over claiming through assessing what would have happened anyway and who else may have contributed, the total social and financial value was calculated as **£245,630**. This gives a Social Return of approximately **£10 for every £1 invested within one year**. This can be broken down by the stakeholder group benefitting.
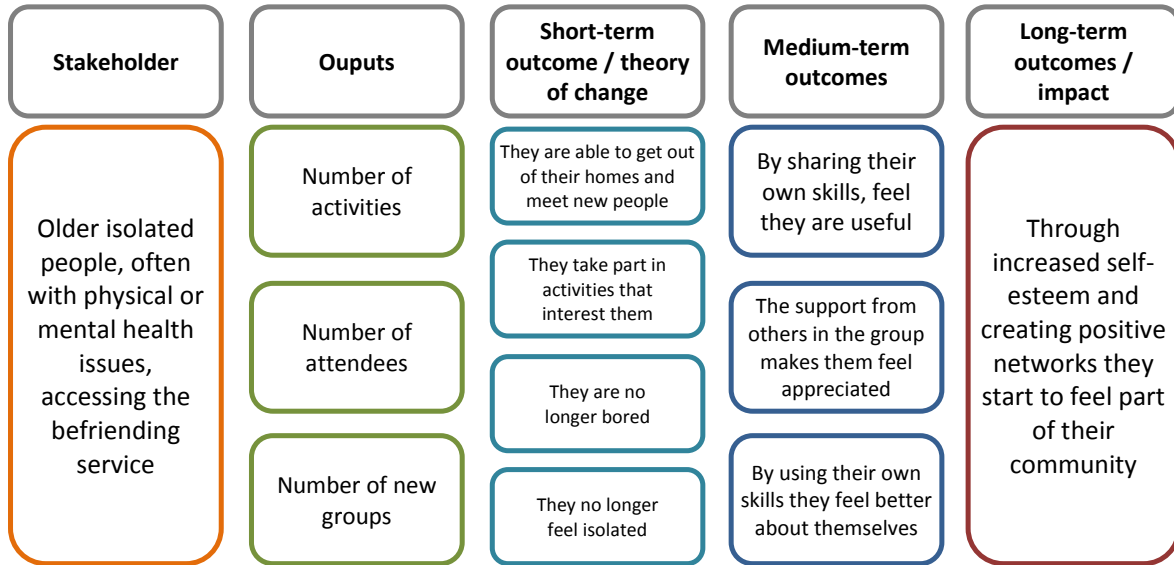
Stakeholder	TOTAL Value	%
Older people	£220,264	87
Health	£16,123	6
Social care	£13,819	5
Volunteers	£4,022	2

The outcomes from Opening Doors that created the most value were:

- **Meeting other people and using their skills enables older people to feel appreciated, useful and better about themselves**

- **Making local networks and feeling positive makes them feel more part of their community**

- **Reduction in cost of hospital admissions**

- **Reduction in cost of social care agencies**

Positive outcomes were achieved through supporting isolated older people to get out of their homes, meet other people and take part in activities that interested them leading to sharing skills and feeling useful and better about themselves, leading to positive networks, increased self esteem and feeling part of their community.

Opening Doors Theory of Change

Stakeholder	Ouputs	Short-term outcome / theory of change	Medium-term outcomes	Long-term outcomes / impact
Older isolated people, often with physical or mental health issues, accessing the befriending service	Number of activities Number of attendees Number of new groups	They are able to get out of their homes and meet new people They take part in activities that interest them They are no longer bored They no longer feel isolated	By sharing their own skills, feel they are useful The support from others in the group makes them feel appreciated By using their own skills they feel better about themselves	Through increased self-esteem and creating positive networks they start to feel part of their community

2. Introduction

Aims and objectives of the evaluation

The aim of this evaluation is to use the principles of Social Return on Investment (SROI) to evaluate the value of Opening Doors. Social Return on Investment (SROI) is a tool that helps measure the value of the impact of a project or service by considering a range of outcomes for all stakeholders affected by the project. It aims to puts a monetary value on a range of social outcomes, both intended and unintended, so they can be included in the value of a project. It also takes into account what would have happened anyway and who else may have contributed towards the outcomes to ensure that an activities contribution to value is not over-claimed.

> *Social Return on Investment (SROI) is a tool that helps organisations in measuring social impact and economic value they are creating. It can be thought of as a broad approach to cost-benefit analysis which is primarily used by public sector organisations in deciding whether or not the benefits resulting from an intervention justify its costs.*
>
> *The Green Book,* HM Treasury[1]

The SROI process is made up of the following stages

- Talking to stakeholders to identify what social value means to them

- Understanding how that value is created through a set of activities

- Finding appropriate indicators, or 'ways of knowing' that change has taken place

- Putting financial proxies on those indicators that do not lend themselves to monetisation

- Comparing the financial value of the social change created to the financial cost of producing these changes

Measuring Real Value, nef[2]

Background

There is a growing evidence base around the complex challenge of loneliness. The Campaign to End Loneliness has drawn together research from a variety of sources to develop the evidence base on the issue of loneliness in older age.

- Between 6% and 13% of people aged over 65 say they feel always or very lonely (Victor, 2011)

- Over half (51%) of all people aged 75 and over live alone (ONS, 2010)

- Half of all older people (about 5 million) say the television is their main company

- Research shows that loneliness and social isolation are harmful to our health: lacking social connections is a comparable risk factor for early death as smoking 15 cigarettes a day, and is worse for us than well-known risk factors such as obesity and physical inactivity.

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[1] The Green Book *(2003) HM Treasury http://www.hm-treasury.gov.uk/data_greenbook_index.htm*
[2] Measuring Real Value: A DIY Guide to Social Return On Investment *(2007) New Economics Foundation*

Older people are often wrongly treated as a homogeneous group, and solutions are often not possible to standardise. This is an area of research that needs more work and debate. The most robust piece of research on this so far (Cattan, 2005) concludes there are three broad characteristics of a good loneliness intervention:

- Start with individual – their interests, the type of experience they are facing: isolation or loneliness?

- Involve each person in shaping the activity

- There is more academically-robust-evidence that group interventions work at present, yet individual activities should still be tried and tested further

An evaluation of Cottam's Southwark Circle found that that some older people need professional care just to get by but the vast majority need the kind of everyday help and human contact the state can't provide. They suggested that investing in local networks on a national scale to bring people together is the best way to cope with the future demands of an ageing population and keep people well and healthy. It also helps reduce pressure on families and carers, lower hospital admissions and delay entry into expensive residential care. The third highest reason for people ending up in a home is because they are lonely and fearful.

A range of research on wellbeing is currently being built on and developed to improve our understanding on what contributes to positive wellbeing. A research study on what contributes to wellbeing of elderly persons was recently published by the Women's Royal Voluntary Service (WRVS) (Voices on well-being: A report of research with older people, November 2011, WRVS). The study involved talking to 163 older people to gain an understanding of what was important to their lives.

Participants identified a range of factors that affect their wellbeing. While issues such as health, personal characteristics and faith featured prominently, the main factor highlighted was relationships and social contacts with family and friends and within communities. This highlights an important aspect of wellbeing.

There was also a strong message that wellbeing is about people being able to do what they want to do. This finding highlights that the promotion of individual sense if control and independence is a vital component in achieving and sustaining wellbeing at the levels of the individual, the community and society.

Joseph Rowntree Foundation's A Better Life programme reviewed the current literature about what older people value, and carried out in depth qualitative interviews with older people in a variety of settings. They found that the most frequently mentioned themes in the conversations were:

- personal relationships;
- support / good relationships with carers;
- self-determination (involvement in decision-making);
- social interaction;
- good environment (home);
- getting out and about;
- information;
- financial resources.

The research found that participants in the study wanted and valued different things in their lives, but all expressed common human needs for social, psychological and physical well-being. They valued their close emotional relationships, though some expressed concerns about 'imposing' on family. Many had made new friends as a result of their

increasing support needs. Having control over their lives was important but meant different things to different people. Adjusting well to change was also central to psychological well-being, and this might require support. The programme recommends that the findings are used as an aid for researchers exploring quality-of-life issues for older people with high support needs and assessing the impact policies and services have on their well-being.

Life expectancy is relatively high in Leicestershire and there is a substantial projected increase in numbers of older people. The 90 and over age group increased by 43% between 2001 and 2011 in Leicestershire, and the 80-90 population increased by 37%. This is compared to a 7% increase across all age groups in Leicestershire. (Census, 2011)

As people live for longer it's important that their quality of life is also considered and that they are supported to remain independent and well for as long as possible

What was innovative about Opening Doors?

The project was conceived through a volunteer befriender who visited two befrienders. He introduced them by taking them out to lunch together and they soon realised that they had interests in common, i.e. eating and poetry. They said that meeting with a purpose was stimulating and something they missed now that they were older, more frail and unable to go out without support. The volunteer befriender also found the experience had positive benefits for him.

This project worked by asking the people what was important to them and enabling them to achieve it.

3. Stakeholder consultation

A stakeholder is any group that is affected by the service. Stakeholders were engaged through a number of different methods and asked a series of questions.

Stakeholder Samples

Stakeholder	Population size	Sample consulted	Method	Sample surveys
Older people	64	6	1 to 1 interviews	32
Volunteers	17	8	Case studies	n/a

Stakeholder group 1: Older People

Interview 1:

Douglas is in his early 80s. He previously worked as an art teacher, and trained in masonry and sculpture. He was proud of his work and skills and that he'd trained 3 apprentices. He describes how he was taught by his father to draw as a child.

Recently his twin died. He said that she 'stopped fighting'. He became very ill himself and her death affected him badly.

He had been in hospital for 10 months but felt that they weren't helping him to get better and he came out worse than he went in. He couldn't walk and was confined to a wheel chair for a while. Despite this he continued to live alone in 4 bed-roomed house and is proud that he lives independently and does his own cooking, cleaning etc. He has children and grandchildren in Leicestershire who he sees quite regularly but he struggled sometimes in their company and liked to be on his own. He felt his family had their own lives and were busy.

He now attends the craft group through open doors once a week and states that he is determined to make the most of his life, to do things and enjoy it. He is keen to get out and do more drawing.

Interview 2:

Peggy is 86 and has been married twice. She lived in Majorca with her 2nd husband and set up English speaking residents groups. She has always liked organising and helping other people.

She now lives on her own and has no family in the country as her only son died in his 30's. She has a pacemaker and problem with upper arm meaning she cannot lift it and she also struggles to walk. She has been told they cannot operate on her arm as she would not survive the operation. She has help with shopping, accesses the home library service, and goes on the organised coach trips.

Peggy has always done embroidery and knitting and remembers her mum being proud of her embroidery as a child. She has a befriender come to the house but she talked to Teresa about wanting to set up a craft group - her pictures were noticed by others and she wanted to set up a group to meet at her house and it was arranged by Theresa for her to use the space at Pavillion.

She has made new friends at the group, who she now keeps in contact with through the week by phone. She relies on the group and Opening Doors Travelling Lunch clubs as they give her something to do and look forward to. She said the Christmas party (when all the groups met) made her feel better about spending Christmas alone. She felt strongly that the group needed to continue, even if it meant people paid a bit more.

Additional comments from the survey:

They are able to take part in activities that interest them:

> *"I have been going to the seated exercise classes. I love them we do it to music. I used to be a ballet dancer and it's brought back so many happy memories. I have got back my mobility and sparkle -that's what everyone says"*

> *"It's nice to go out and not wash up. I like playing bingo and scrabble. I have learnt new games and made new friends."*

They meet new people and feel less isolated

> *"I go out as often as I want to now. The singing is brilliant and makes me feel better for ages after. I sing at home. I've made so many friends including taxi drivers."*

> *"It is good to go out which I can't do without support"*

They feel appreciated, useful and better about themselves

> *"I love being able to play scrabble with sighted people. I feel valued. The exercise class is a good laugh, I feel so much better afterwards physically and mentally"*

> *"It's hard being confined to a wheelchair and relying on others but at the craft group I feel an equal"*

They feel a part of their community

> *"Following the death of my husband I was very depressed. My life has changed and I have started a journey of meeting people. I go to scrabble, bingo, lunch clubs and this have given me the confidence to go to the local group by myself now. It's given me a new lease of life."*

Stakeholder group 2: Volunteers

Volunteers were recruited through adverts in local papers, word of mouth and a few of my volunteer befrienders. For example: Ray and Lindsay both help at the scrabble and bingo groups. Ray is 68 years and Lindsay 62 years and have never done voluntary work before. They both responded to an advert in the Braunstone Life magazine.

Lindsay said after finishing work she felt isolated and at a loss wondering where her retirement would take her. Since helping at the group she says she feels valued and wanted and really enjoys mixing with other people, helping others and feels she has a purpose back in her life.

Ray is now known as 'Bingo Ray' as he calls the numbers at the group. He says he really enjoys helping and he has regained his confidence. His humour as bingo caller has everyone laughing and smiling and at the scrabble/games group he engages with the clients and supports them to play the various games.

Edna is 80 years old and has been a volunteer befriender for 4 years. She is an accomplished musician and has been running our singing / music group. Her experience as a befriender also means she is able and willing to listen to any client who needs to talk and if necessary take appropriate action.
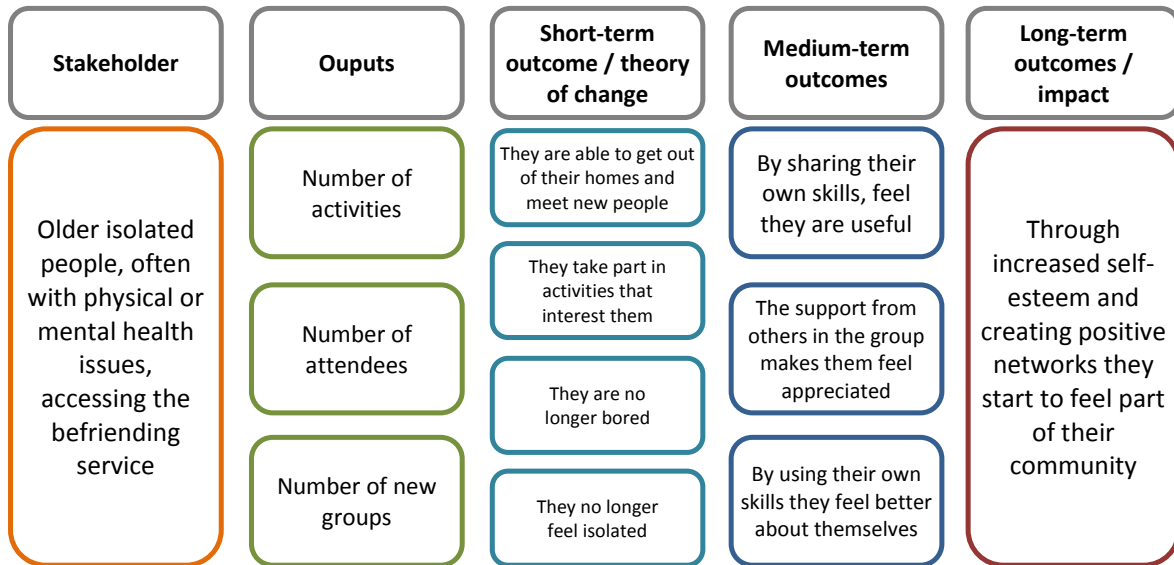
Tony is 79 years and helps at the singing / music group and also the travelling lunch club acting as an escort on the minibus.

Both Edna and Tony say that volunteering helps them stay fit and healthy. It stops them dwelling on their own problems as there is always someone worse off than themselves.

4. Theory of change

The engagement with stakeholders can be used to develop a theory of change for all stakeholder groups to map out the short, medium and long term outcomes of the service. A theory of change should also include any negative or unintended outcomes.

Stakeholder group: **Older People**

Stakeholder	Ouputs	Short-term outcome / theory of change	Medium-term outcomes	Long-term outcomes / impact
Older isolated people, often with physical or mental health issues, accessing the befriending service	Number of activities	They are able to get out of their homes and meet new people	By sharing their own skills, feel they are useful	Through increased self-esteem and creating positive networks they start to feel part of their community
	Number of attendees	They take part in activities that interest them	The support from others in the group makes them feel appreciated	
		They are no longer bored		
	Number of new groups	They no longer feel isolated	By using their own skills they feel better about themselves	

Stakeholder group: **Public sector agencies**

As the older people start to feel better and part of their community they may start to use less reactive services such as hospitals, district nurses, A&E and adult social care, and start to access more universal services or groups in their communities such as libraries, community centres, church etc. This would result in an expected cost saving to public services.

Stakeholder group: **Volunteers**

The volunteers also receive benefits from being involved with Opening Doors themselves – These are mainly 'feeling more valued' and 'meeting new people / feeling less isolated'.

Materiality:

To ensure that only material outcomes are included, at this stage it is important to identify the outcomes that considered relevant to the service. **Materiality** is defined as *"Information is material if its omission has the potential to affect the readers' or stakeholders' decisions".*

According to SROI Guidance on Materiality, testing for relevance involves identifying whether the outcome is relevant because there are:

- policies that require it or perversely block it and the intervention can deliver it;
- stakeholders who express need for it and the intervention can deliver it;
- peers who do it already and have demonstrated the value of it and the intervention can deliver it;
- social norms that demand it and the intervention can deliver it; and
- financial impacts that make it desirable and the intervention can deliver it.

The outcomes in the theory of change can be tested for relevance by judging each outcome against the criteria for materiality. From the theories of change, the following outcomes were identified as being potentially relevant impacts of the activity:

Stakeholders	Outcome	Reason for inclusion/exclusion	Relevant?	Longer / shorter term outcomes?
Older people	Feel less isolated / meet new people	Important to older people	Y	short
	Feel less bored/ they have something they are interested in	Important to older people	Y	short
	Meet people and using skills makes them feel appreciated, useful and better about themselves	Important to older people	Y	long
	Making networks and feeling positive makes them feel more part of their community	Important to older people	Y	long
Public services	Reduction in health care services	Early Intervention and prevention	Y	N/A
	Reduction in adult social care services	Early Intervention and prevention	Y	N/A
Volunteers	Feel more valued	Important to volunteers	Y	N/A
	Feel less isolated / meet new people	Important to volunteers	Y	N/A
Family members	Reduced stress	Most did not have family or did want to be a burden to them so the family members are not considers significant stakeholders	N	N/A
Community services	Increase in service use	Most people struggle to access community services without support	N	N/A

The following outcomes were therefore identified as relevant at this stage:

Stakeholders	Outcome
Older people	Feel less isolated / meet new people
	Feel less bored / they have something they are interested in
	Meeting people and using skills makes them feel appreciated, useful and better about themselves
	Making networks and feeling positive makes them feel more part of their community
Public services	Reduction in health care services
	Reduction in adult social care services
Volunteers	Feel more valued
	Feel less isolated / meet new people

5. Measuring impact

Evidencing Outcomes

An indicator is a piece of information that helps determine whether or not change has taken place - it allows performance to be measured. A survey was carried out with the service users at the start and end of the project which allowed for comparisons to be made over time to measure the impact of the project.

Stakeholders	Outcome *What changes? (based on how stakeholders would describe the change)*	Indicator *How would we measure it?*	Source *Where did we get the information from?*	Quantity[3] *Number who experienced the change*
Older people	Feel less isolated / meet new people*	Moved from 1) none or rarely meeting people to often or all the time OR 2) from often or all the time isolated to none or rarely	Questionnaire	8
	Feel less bored/ they have something they are interested in*	Moved 1) from none or rarely take part in activities they are interested in to often or all the time OR 2) from often or all the time bored to none or rarely	Questionnaire	18
	Meet people and using skills makes them feel appreciated, useful and better about themselves	Moved from 1) none or rarely feeling appreciated, useful, or good about themselves to often or all of the time	Questionnaire	24
	Making networks and feeling positive makes them feel more part of their community	Moved 1) From none or rarely feeling part of the community to often or all the time	Questionnaire	9
Volunteers	Feel more valued	Assessment based on manager's knowledge	Manager's knowledge	17
	Feel less isolated / meet new people	Assessment based on manager's knowledge	Manager's knowledge	10

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[3] If people achieved longer term and short term outcomes then only the longer term outcomes were counted to avoided double-counting

6. Valuing benefits

To assess the potential value of outcomes all of the indicators need to be monetised, or expressed in financial terms. When data is unavailable or difficult to obtain, proxies can be used. A proxy is a value that is deemed to be close to the desired indicator, for which data may be unavailable. Proxies should not be seen as conveying a hard and fast value on that outcome but as a way of expressing it in financial terms that ensures it can be included in the analysis. There are three main types of financial proxies:

- Approximations of real transactions or changes in money, for example where an outcome produces a change in income or expenditure for the relevant stakeholder.

- Approximations of value based on potential changes in money for the relevant stakeholder. For example, where the outcome may result in a lower use of resources but this is insufficient to actually affect the budget, these are often valued using unit costs.

- Approximations of value based on what a related market reveals about preference for the outcome (revealed preference), or which are based on surveys of stakeholders preferences for the outcome (stated preference). This approach is often required to value outcomes for groups of stakeholders that are not organisations, such as service users, families and other members of the community.[4]

This section will list the outcomes identified from the theory of change and the values attached.

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[4] A guide to Commissioning for Maximum Value, LGA, 2011

Stakeholders	Outcome *What changes? (based on how stakeholders would describe the change)*	Financial Proxy *What proxy did we use to value the change?*	Value £ *What is the value of the change?*	Source *Where did we get the information from?*
Older people	Feel less isolated / meet new people	Average spend on social activities in a year	£520	www.globalvaluexchange.org/valuations/social-activities-expenditure-per-annum/
	Feel less bored/ they have something they are interested in	Average spend on games and hobbies per annum	£93.60	www.globalvaluexchange.org/valuations/games-and-hobbies-expenditure-per-annum/
	Meet people and using skills makes them feel appreciated, useful and better about themselves	Not being able to meet up with friends a number of times per week.	£17,300	www.globalvaluexchange.org/valuations/meet-up-with-friends-a-number-of-times-per-week-%28unable%29/
	Making networks and feeling positive makes them feel more part of their community	Feeling part of the community	£14,900	http://www.ghkint.com/Portals/4/LivingWell-ABriefGuidetoEconomicAnalysis.pdf
Volunteers	Feel more valued	Average spend on social activities in a year	£520	http://www.globalvaluexchange.org/valuations/social-activities-expenditure-per-annum/
	Feel less isolated / meet new people	Average amount people give to charity a year	£110	Investec Private Bank

The number of interactions with public services before and after joining Opening Doors
was also collected and can be analysed to identify cost savings to services.

Stakeholder	Agency	Survey Cohort (34) difference in 6 months	Survey cohort - estimated difference in 12 months	Total cohort (64)	Financial Proxy	Unit cost	Source	Annual cost saving
	GP	29	58	116	GP visits	£36	Unit costs of health and social care 2012 (Curtis)	£4,176.00
	District nurse	20	40	80	Practice nurse visits	£11	Unit costs of health and social care 2012 (Curtis)	£880.00
	Hospital	5	10	20	Hospital inpatient admissions	£1,737.23	National schedule of reference costs 2011-12 for NHS trusts and NHS foundation trusts	£34,744.60
Health	A&E	1	2	4	A&E attendances resulting in investigation and subsequent treatment	£126.77	National schedule of reference costs 2011-12 for NHS trusts and NHS foundation trusts	£507.10
Social care	Social care agency	157	314	628	Social worker visits	£55.01	Unit costs of health and social care 2011 (Curtis)	£34,546.30
								£74,854.00

7. Not over-claiming

The SROI process also involves assessing how much of the outcomes is a result of the actual project or service. To do this, deadweight displacement, attribution and drop-off rates need to be taken into account. These rates can be agreed with those working on the project, based on their experiences, the needs of service users and wider research.

Deadweight

Deadweight considers what would have happened anyway if the service did not exist.

The majority of older people would not be able to leave the house and take part in such activities without Opening Doors. However, some benefits might be gained through the befriending service alone. A deadweight of 40% was therefore applied to the outcomes around feeling less bored and having something they are interested in as this may have been achieved through the befriending service and 20% was applied to other outcomes.

For volunteers, a deadweight of 88% was applied for feeling more valued as only 2 out of 17 were new to volunteering, and 20% was applied to feeling less isolated and meeting new people.

20% deadweight was also applied to public sector savings in line with the deadweight for older people.

Displacement

Displacement occurs when the project benefits are at the expense of others (e.g. benefits are displaced from elsewhere).

There is no displacement for this activity as all value is created.

Attribution

Attribution considers what share of an outcome is attributable to, or results from, those outside of the service being evaluated.

The drivers and befrienders are required to help the older people access the activities – Therefore an attribution rate of 50% was applied to all outcomes for older people. For volunteers, an attribution of 18% was applied as 3 out of 17 also volunteered elsewhere which may have contributed to outcomes.

Duration and drop-off

Drop off refers to the deterioration of an outcome objective over time.

Although some people had started to make friends and make contact outside the group, it was felt that the benefits would not continue after the group finished so there was a reliance on the group continuing to maintain the benefits being achieved. Therefore, a duration of 1 year was applied.

Projecting future benefits

When projecting benefits into the future, it is standard SROI practice to discount[5] the value of any future benefits. The HM Treasury discount rate of 3.5 per cent was applied to all future benefits in the model.

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[5] Discounting is defined as '*The extent to which the value of a benefit accrued in the future is reduced, to reflect both the social and economic preferences for receiving a sum of money now, rather than receiving the same sum of money in the future.*'

APPENDIX D: SROI REPORTS

8. Impact Map

	Stage 1			Stage 2	Stage 3 — The Outcomes (what changes)								Stage 4				
Stakeholders	**Intended/unintended changes**	**Inputs**		**Outputs**	**Description**	**Indicator**	**Source**	**Quantity**	**Duration**	**Financial Proxy**	**Value £**	**Source**	**Deadweight %**	**Displacement %**	**Attribution %**	**Drop off %**	**Impact**
Who will we have an effect on? Who will have an effect on us?	What do we think will change for them?	What will they invest?		Value £ Summary of activity in numbers	what changes? / based on how stakeholders would describe the change)	How would we measure it?	Where did we get the information from?	How much change will there be?	How long will it last?	What proxy did we use to value the change?	What is the value of the change?	Where did we get the information from?	What would have happened without the activity?	What activity would we displace?	Who else would contribute to the change?	Will the outcome drop off in future years?	Quantity time financial proxy, less deadweight, displacement, and attribution
		£16,290.00			Feel less isolated / meet new people	Moved 1) from none or rarely meeting people to often or all the time OR 2) isolated to none or all the time from often or all the time	Questionaire	8	1	Average spend on social activities in a year	£520	http://www.globalvaluexchange.org/valuations/social-activities-expenditure-per-annum/	20%	0%	50%	90%	£1,664.0
					Feel less bored / they have something they are interested or all the time bored to none	Moved 1) from none or rarely take part in activities they are interested in to often or all the time OR 2) from often or all the time bored to none or rarely	Questionaire	18	1	Average spend on games and hobbies per annum	£93.60	http://www.globalvaluexchange.org/valuations/games-and-hobbies-expenditure-per-annum/	40%	0%	50%	90%	£505.4
					Meet people and using skills makes them feel appreciated, useful and better about themselves	Moved from 1) none or rarely feeling appreciated, useful, or good about themselves to often or all of the time	Questionaire	24	1 week	Not being able to meet up with friends a number of time per	£17,300 week %28 pa ble%29	http://www.globalvaluexchange.org/valuations/meet-up-with-friends-a-number-of-times-per-week%28plural%29/	20%	0%	50%	90%	£166,080.0
Older people					Making networks and feeling positive makes them feel more part of their community	Moved 1) from none or rarely feeling part of the community to often or all the time	Questionaire	9	1 community	Feeling part of the community	£14,900	http://www.livingwell.com/Portals/4/LivingWell-AbriefGuidetoEconomicAnalysis.pdf	20%	0%	50%	90%	£52,014.5
time		1280 hours			Feel less isolated / meet new people	Assessment based on manager's knowledge	Manager's knowledge	10	1	Average spend on social activities in a year	£520	http://www.globalvaluexchange.org/valuations/social-activities-expenditure-per-annum/	10%	0%	18%	0%	£3,837.6
volunteers		£8,076.00			Feeling valued	Assessment based on manager's knowledge	Manager's knowledge	17	1	Average amount people give to charity a year	110	Invest Inc. Private Bank	88%	0%	18%	0%	£184.0
				GP		Difference between number of visits before and number of visits after	Questionaire	116	1	GP visits	£36.0	Unit costs of health and social care 2012 (Curtis)	20%	0%	50%	90%	£1,670.4
				Nurse		Difference between number of visits before and number of visits after	Questionaire	80	1	Practice nurse visits	£11.0	Unit costs of health and social care 2012 (Curtis)	20%	0%	50%	90%	£352.0
Health				Hospital		Difference between number of visits before and number of visits after	Questionaire	20	1	Hospital inpatient admissions	£1,737.23	National schedule of reference costs 2011-12 for NHS trusts and NHS foundation trusts	20%	0%	50%	90%	£13,897.8
				A&E		Difference between number of visits before and number of visits after	Questionaire	4	1	A&E attendances resulting in investigation and subsequent treatment	£126.77	National schedule of reference costs 2011-12 for NHS trusts and NHS foundation trusts	20%	0%	50%	90%	£202.8
Social care				Social care agencies		Difference between number of visits before and number of visits after	Questionaire	628	1	Social worker visit	£55.0	Unit costs of health and social care 2011 (Curtis)	20%	0%	50%	90%	£13,818.5
Total		£24,366.00															£254,227.1

9. The Social Return on Investment ratio

Cost of delivery

Funding:
£16,290

Volunteer's time:
1,280 hours

SROI values volunteers time at the national minimum wage (£6.30 an hour) to account for their contribution in delivering the activity.

Total value and social return on investment

Total Present Value (PV)	**£245,630.12**
Net Present Value (PV minus the investment)	**£221,264.12**
Social Return £ per £	**£10.08**

This gives a Social Return of approximately £10 for every £1 invested.

Stakeholder	TOTAL Value	%
Older people	£220,263.99	87
Health	£16,123.07	6
Social care	£13,818.51	5
Volunteers	£4,021.61	2

The outcomes that created the most value were:

- **Meeting people and using their skills enables older people to feel appreciated, useful and better about themselves**
- **Making local networks and feeling positive makes them feel more part of their community**
- **Reduction in cost of hospital admissions**
- **Reduction in cost of social care agencies**

10. Employment Solutions Summary

Social Return on Investment (SROI) explores the social and financial value created by a project and compares this value to the value of the investment. The methodology is principle based and aims to understand and describe the story of change for individuals and communities to understand how change is created.

Employment Solutions SROI Summary

£19,520 was awarded to Employment Solutions from the Innovation Fund. In addition, **£300** funding was secured from O2 to start their enterprise. Taking into account the most important outcomes to stakeholders, and avoiding over-claiming through assessing what would have happened anyway and who else may have contributed, the total social and financial value was calculated as **£197,723**. This gives a Social Return of approximately **£10 for every £1 invested over 5 years**. This can be broken down by the stakeholder group benefitting.

Stakeholder	TOTAL Value	%
Young People	£125,794	64
DWP	£63,873	32
Districts	£6,146	3
Family	£1,911	1

The outcomes from Employment Solutions that created the most value were:

- **Increased income and reduced DWP payments through supporting young people into employment and self-employment**
- **Value to young people of being supported into volunteering**
- **Value to young people of increased aspiration and motivation**

Positive outcomes were achieved through supporting NEET young people with housing issues who often lived chaotic, transient lives to gain skills and qualifications and support them to develop their own social enterprise, delivering learning in their own residence and supporting them holistically.

2. Introduction

Aims and objectives of the evaluation

The aim of this evaluation is to use the principles of Social Return on Investment (SROI) to evaluate the value of Employment Solutions. Social Return on Investment (SROI) is a tool that helps measure the value of the impact of a project or service by considering a range of outcomes for all stakeholders affected by the project. It aims to puts a monetary value on a range of social outcomes, both intended and unintended, so they can be included in the value of a project. It also takes into account what would have happened anyway and who else may have contributed towards the outcomes to ensure that an activities contribution to value is not over-claimed.

> *Social Return on Investment (SROI) is a tool that helps organisations in measuring social impact and economic value they are creating. It can be thought of as a broad approach to cost-benefit analysis which is primarily used by public sector organisations in deciding whether or not the benefits resulting from an intervention justify its costs.*
>
> *The Green Book,* HM Treasury[6]

The SROI process is made up of the following stages

- Talking to stakeholders to identify what social value means to them
- Understanding how that value is created through a set of activities
- Finding appropriate indicators, or 'ways of knowing' that change has taken place
- Putting financial proxies on those indicators that do not lend themselves to monetisation
- Comparing the financial value of the social change created to the financial cost of producing these changes

Measuring Real Value, nef[7]

Needs of the Target Population

18-25 NEET (Not in Education, Employment or Training) Homeless or in Temporary Accommodation
projects in Charnwood

- Lack of confidence and motivation.
- Issues with mental health, and social isolation.

Most important outcomes: **Promote mental wellbeing, Reduce social isolation**

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[6] The Green Book *(2003) HM Treasury http://www.hm-treasury.gov.uk/data_greenbook_index.htm*
[7] Measuring Real Value: A DIY Guide to Social Return On Investment *(2007) New Economics Foundation*

Research from the Young Foundation[8] found that the NEET cohort is a diverse group and young people can be NEET for a number of reasons. Many have caring responsibilities, long-term disabilities or health conditions. Youth homelessness is a significant barrier to engaging in employment, education or training. Whilst unemployment is often not the direct cause of homelessness, being homeless, while young, can make participating in employment, education or training extremely difficult. A DCLG survey, conducted in 2006, found that a disproportionate number of homeless 16-17 year-olds were NEET: 57% at a time when the national average for this age group was 11%.

Reasons behind their homelessness will often overlap with their barriers to work, such as depression, abuse, difficulties at school leading to lack of qualifications or single events such as bereavement causing disruption in their home lives. Covering cost of transport can also be a problem. Unstable housing situations can then significantly impact on a young person's ability to participate in education or work. Support therefore needs to be is tailored to the young person's needs. Hover, many young people are hidden from existing support services, or difficult to engage with due to their transient lives. A briefing by Crisis[9], a national charity for single homeless people, stated that:

- All forms of homelessness, including youth homelessness, are on the rise.

- The biggest cause of homelessness for young people is being told to leave the family home by their parents. Other common causes are leaving care and being unable to pay rent.

- Young homeless people often do not get the help they need from local authorities or formal support services. Instead, they get by in hidden homelessness situations such as rough sleeping and squatting.

- Young homeless people are considerably more vulnerable than the overall homeless population. For example, 51% have been excluded from school, 40% have experienced abuse at home and 33% self harm.

- 30% have been in care, suggesting that the care system is not offering them the support they need.

Recommendations from Centrepoint[10], a national charity working with homeless young people aged 16 to 25, included:

- Flexible learning opportunities must be offered to allow young people to take part at their own pace, allowing young people to learn in their own way and at their own pace, not bound by an academic year or single institution.

- Life skills and non-formal education are an important part for engagement and learning support.

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[8] http://www.theworkfoundation.com/blog/1206/The-complex-NEET-problem-demands-a-tailored-approach

[9] http://www.crisis.org.uk/data/files/publications/Crisis%20briefing%20-%20youth%20homelessness.pdf

[10] http://www.publications.parliament.uk/pa/cm200910/cmselect/cmchilsch/memo/youngpeo/me50.htm

APPENDIX D: SROI REPORTS

Aims of Employment Solutions

The project aimed to support young people who are NEET to access employment opportunities.

The main aims were to:

- Work in partnership with Leicester based charity, Pedestrian, to help young people in shaping the project's mix of activities that will best support them into work such as work skills sessions, taster work days, work shadowing, enterprise courses.

- Increase employability skills by working with individuals on many aspects such as taking a flexible approach to learning, flexibility to tailor make their own programmes and gain qualifications, and supporting them to approach employers and trades people to gain work experience and or to start their own social enterprises.

3. Stakeholder consultation

A stakeholder is any group that is affected by the service. Stakeholders identified by the service were asked to describe the difference that Employment Solutions made to them through evaluation forms and case studies.

Stakeholder group 1: Young People

> *"I've already found a job through it and I'm looking forward to starting my own social enterprise"*
>
> *"I joined it because I wanted to gain confidence and to learn how to socialise and I think that's hit off pretty well, I've made new friends and loads of new skills and I'm looking forward to finishing the project and finally getting something out of it"*
>
> *"I'd just like to say I've got a bright future because of this place and Peter and the team, met some good people, that's about all I can say really, thank you"*
>
> *"Being part of the project helped me to gain insight into business and motivated me to start a business"*
>
> *"Really enjoyed creative process, something I enjoyed and look forward to doing it again"*

Stakeholder group 2: Family members

One client's mother was invited to an awards ceremony that her son was taking part in. She said "thank you" and she spoke about how she felt "she had her son back". Being able to take part in the project meant the client was able to rebuild a relationship with family as they could see the change and commitment from this young person.

Stakeholder group 3: Youth Shelter

> *"A note to advice that your project has had a positive effect on the Marshall's Court clients; it has help with their engagement in Youth Shelter and helped them on their road to independence. It has also changed their perspective of the building we are situated in and increased their usage of it"*
>
> Support Worker

4. Theory of change

The engagement with stakeholders can be used to develop a theory of change for stakeholder groups to map out the short, medium and long term outcomes of the service. A theory of change should also include any negative or unintended outcomes.

Stakeholder group: Young People

Employment Solutions worked with hard to reach young people who often led chaotic lives with competing pressures. Housing issues meant that they can be very transient.

The outcomes for young people were measured through the Work Outcome Star to also demonstrate to the clients where they were in their lives and how their journey progressed over time. The outcome star was able to record their journey from disengaged to self-reliant

The project claimed that the outcome most important to young people was completing a project and achieving something at the end of it. Many of the clients have had negative experiences in education, so this was an opportunity to address that. Restoring or giving the clients the confidence to do something for themselves was also a very big outcome for the majority of the group.

Young people engaged with the project, increase their motivation leading to finding what works for them, and were supported towards independence. How the project moved young people through this theory of change is shown below:

STAGE	Questions	Answers
1. HARD TO ENGAGE	What were the needs of the client group?	Lack of confidence and motivation, issues with mental health and social isolation.
	Did the project work with those hard to engage?	Y
	Did the project refer to specialists?	N
2. ENGAGED	How did the project move people from hard to engage to engaged?	Youth shelter clients, holistic support based in their residence, flexibility to shape project/not institutional, experience of working with hard to reach,
	Did the project recogise those who are marginalized?	Y
	Did the project build self worth?	Y
3. MOTIVATED	How did the project move people from engaged to motivated?	Nominate for award, Sense of achievement.
	Did the project respond to individual aspirations?	Y
	Did the project develop new support networks?	Y
	Did the project build skills and knowledge?	Y
	Did the project signpost to community groups/support?	Y
4. LEARNING	How did the project move people from motivated to Learning?	Action plans and set goals, Direct to Charnwood Arts and other local services
	Did the project promote Independence?	Y
	Did the project create new opportunities (eg volunteering)?	Y
	Did the project address perceptions in community?	Y
	Did the project support people accessing universal services?	Y
	Are the outcomes sustainable?	Y
	Did the project move people from receiving to providing support?	Y
5. INDEPENDENCE	How did the project move people from Learning to Independence?	YP have ownership of the project, market stall raised awareness and addressed stereotypes of homeless NEET, YP were supported to give back to community

Through supporting young people towards independence the following long term changes were identified:

- Improved social skills
- Improved job specific skills
- Employment
- Self-employment
- Qualification in SE

- Education
- Volunteering
- Maintain tenancy with shelter
- Increased aspiration and motivation

These outcomes also have an impact on districts through reduced homelessnes, DWP in reduced benefit payments, and family members in reduced stress.

5. Measuring impact

The following outcomes were recorded by the project:

Stakeholders	Outcome *What changes? (based on how stakeholders would describe the change)*	Quantity *Number who experienced the change*
Young people	Improved social skills	11
	Improved job specific skills	11
	Increased aspiration and motivation	12
	Qualification in SE	6
	Education	1
	Volunteering	1
	Stable housing	10
	Increased income	3
DWP	Employment	2
	Self-employment	1
Districts	Maintain tenancy with shelter	10
Family	Improved family life	1

6. Valuing benefits

To assess the potential value of outcomes all of the indicators need to be monetised, or expressed in financial terms. When data is unavailable or difficult to obtain, proxies can be used. A proxy is a value that is deemed to be close to the desired indicator, for which data may be unavailable. Proxies should not be seen as conveying a hard and fast value on that outcome but as a way of expressing it in financial terms that ensures it can be included in the analysis. There are three main types of financial proxies:

- Approximations of real transactions or changes in money, for example where an outcome produces a change in income or expenditure for the relevant stakeholder.

- Approximations of value based on potential changes in money for the relevant stakeholder. For example, where the outcome may result in a lower use of resources but this is insufficient to actually affect the budget, these are often valued using unit costs.

- Approximations of value based on what a related market reveals about preference for the outcome (revealed preference), or which are based on surveys of stakeholders preferences for the outcome (stated preference). This approach is often required to value outcomes for groups of stakeholders that are not organisations, such as service users, families and other members of the community.[11]

This section will list the outcomes identified from the theory of change and the values attached.

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[11] A guide to Commissioning for Maximum Value, LGA, 2011

Stakeholder	Outcome	Financial proxy	Value	Source
District	Maintain tenancy with shelter	Homelessness advice and support - cost of a homelessness prevention or housing options scheme that leads to successful prevention of homelessness	£681	http://www.globalvaluexchange.org/valuations/accommodating-homeless-person/
DWP	Employment	Job Seeker's Allowance Fiscal benefit from a workless claimant entering work	£10,025	The Department for Work and Pensions Social Cost-Benefit Analysis framework (Working Paper 86) / response to parliamentary questions (HC Deb 6 February 2013, vol 558, col 352W)
	Self employment	Job Seeker's Allowance Fiscal benefit from a workless claimant entering work	£10,025	The Department for Work and Pensions Social Cost-Benefit Analysis framework (Working Paper 86) / response to parliamentary questions (HC Deb 6 February 2013, vol 558, col 352W)
Young People	Improved social skills	Interpersonal skills course	£190	Valuation Source: http://www.ccb.ac.uk/public/courses/parttime/counselling-interpersonal-skills-ncfe-level-1-thur-day-jan-13-6251.htm
	Improved job specific skills	Fuctianl skills	£67	http://www.globalvaluexchange.org/valuations/functional-skills-course-costs/
	Increased aspiration and motivation	Motivation Course-Distance Learning	£325	http://www.globalvaluexchange.org/valuations/motivation-course-distance-learning/
	Qualification in SE	Certificate or qualification as a result of adult learning	£947	http://www.globalvaluexchange.org/valuations/certificate-or-qualification-as-a-result-of-adult-learning/
	Education	Earnings increase gained by moving from no qualification to at least Level 2 qualification (as a percentage of income)	£1,456	http://www.globalvaluexchange.org/valuations/earnings-increase-gained-by-moving-from-no-qualification-to-at-least-level-2-qualification-%28as-a-percentage-of-income%29/
	Volunteering	Volunteering value to the volunteer	£13,500	http://www.globalvaluexchange.org/valuations/volunteering-value-to-the-volunteer/
	Stable housing	Cost of stress counselling to help service users maintain their stability in the face of stressful circumstances	£650	http://www.globalvaluexchange.org/valuations/cost-of-stress-counselling-to-help-service-users-maintain-their-stability-in-the-face-of-stressful-circumstances/
	Increased income	Gaining work value to the individual	£8,240	http://www.globalvaluexchange.org/valuations/gaining-work-value-to-the-individual/
Family	improved family life	Cost of stress management course	£630	UK Council for Psychotherapy

APPENDIX D: SROI REPORTS

7. Not over-claiming

The SROI process also involves assessing how much of the outcomes is a result of the actual project or service. To do this, deadweight displacement, attribution and drop-off rates need to be taken into account. These rates can be agreed with those working on the project, based on their experiences, the needs of service users and wider research.

Deadweight

Deadweight considers what would have happened anyway if the service did not exist.

The project was able to support the young people in a way which very few educational projects could, such as working with them in their residence, which made a big difference to maintaining engagement with the clients.

Running this project gave the young people a chance to learn and achieve in a comfortable environment with support in place. These outcomes are unlikely to have been achieved without such an innovative approach. Therefore, a deadweight of just 5% was applied to all outcomes.

Displacement

Displacement occurs when the project benefits are at the expense of others (e.g. benefits are displaced from elsewhere).

For employment opportunities, there is a chance that these could have been taken by other people so a displacement of 30% was applied to these outcomes.

Attribution

Attribution considers what share of an outcome is attributable to, or results from, those outside of the service being evaluated.

The project worked with other providers and businesses to deliver sessions, work experience and qualifications. Therefore 50% attribution was applied to the following outcomes:

- Improved job specific skills

- Qualification in SE

5% attribution was applied to remaining outcomes.

Duration and drop-off

Drop off refers to the deterioration of an outcome objective over time.

The work with these clients helped them overcome barriers to work and achieve some self-actualisation which is expected to help them to sustain these outcomes. Those who found employment continue to be employed. Of the others who attended the project, 4 of them have continued to help develop the social enterprise. The young person who was volunteering has now secured a job in that area. This demonstrates that these outcomes are sustainable. Therefore, 5 years, with a 20% drop off, was applied to the majority of long term outcomes. A duration of one year was applied to the outcome of maintaining tenancy to take account of the transient nature of the young people.

Projecting future benefits

When projecting benefits into the future, it is standard SROI practice to discount12 the value of any future benefits. The HM Treasury discount rate of 3.5 per cent was applied to all future benefits in the model.

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[12] Discounting is defined as' *The extent to which the value of a benefit accrued in the future is reduced, to reflect both the social and economic preferences for receiving a sum of money now, rather than receiving the same sum of money in the future.'*

8. Impact Map

Stage 1 → **Stage 2** → **Stage 3**

Stakeholders	Intended/unintended changes	Inputs		Outputs	The Outcomes (what changes)								
Who will we have an effect on? Who will have an effect on us?	What do we think will change for them?	What will they invest?	Value £	Summary of activity in numbers	Description	Indicator	Source	Quantity	Duration	Financial Proxy	Value £	Source	
					what changes? (based on how stakeholders would describe the change)	How would we measure it?	Where did we get the information from?	How much change will there be?	How long will it last?	What proxy did we use to value the change?	What is the value of the change?	Where did we get the information from?	
District					Maintain tenancy with shel	Number retaining tenancy	Knowledge of clients	10	1	Homelessness	£681	aluexchange.org/va	
DWP					Employment	Number in employment	Knowledge of clients	2	5	Job Seeker's	£10,025	The Department for	
					Self employment	Number in self	Knowledge of clients	1	5	Job Seeker's	£10,025	The Department for	
					Improved social skills	number with improved soc	Knowledge of clients	11	5	Interpersonal sk	£190	Valuation Source: h	
					Improved job specific skills	number with improved job	Knowledge of clients	11	5	Fuctianl skills	£67	http://www.globalva	
					Increased aspiration and m	Number with Increased asp	Outcome star	12	5	Motivation Cou	£325	http://www.globalva	
YP					Qualification in SE	Number with a qualificatio	Knowledge of clients	6	1	Certificate or qu	£947	http://www.globalva	
					Education	Number moving into educt	Knowledge of clients	1	5	Earnings increas	£1,456	http://www.globalva	
		Innovation fund	£19,520.00		Volunteering	Number volunteering	Knowledge of clients	1	5	Volunteering va	£13,500	http://www.globalva	
		O2 funding	£300.00		Stable housing	Number retaining tenancy	Knowledge of clients	10	1	Cost of stress cc	£650	http://www.globalva	
					Increased income	Number in employment	Knowledge of clients	3	5	Gaining work va	£8,240	http://www.globalva	
Parent					improved family life	Number with improved	Case study	1	5	Cost of stress	£630	UK Council for	

9. The Social Return on Investment ratio

Cost of delivery

£19,520 was awarded to Opening Doors from the Innovation Fund. In addition, **£300** funding was secured from O2 to start their enterprise.

Innovation fund	**£19,520**
02 funding	**£300**
TOTAL	**£19,820**

Total value and social return on investment

Total Present Value (PV)	**£197,723.47**
Net Present Value (PV minus the investment)	**£177,903.47**
Social Return £ per £	**9.98**

This gives a Social Return of approximately £10 for every £1 invested over 5 years.

Stakeholder	TOTAL Value	%
Young People	£125,794	64
DWP	£63,873	32
Districts	£6,146	3
Family	£1,911	1

The outcomes that created the most value were:

- **Increased income and reduced DWP payments through supporting young people into employment and self-employment**
- **Value to young people of being supporting into volunteering**
- **Value to young people of increased aspiration and motivation**

10. Appendix

A: Glossary of terms

Attribution
An assessment of how much of the outcome was caused by the contribution of other organisations or people.

Deadweight
A measure of the amount of outcome that would have happened even if the activity had not taken place.

Discounting
The process by which future financial costs and benefits are recalculated to present-day values.

Displacement
An assessment of how much of the outcome has affected outcomes happening elsewhere.

Drop-off
The deterioration of an outcome over time.

Duration
How long (usually in years) an outcome lasts after the intervention, such as length of time a participant remains in a new job.

Financial proxy
A monetary approximation of the value of the outcome.

Impact
The overall outcome for stakeholders, taking into account what would have happened anyway, the contribution of others and the length of time the outcomes last.

Impact map
A table that captures how an activity makes a difference: that is, how it uses its resources to provide activities that then lead to particular outcomes for different stakeholders.

Indicator
A piece of information that helps to determine that a change has taken place. It is a sign that can be measured. SROI is concerned with 'outcome measures' (such as the increased confidence in people who have been on a course) rather than 'output measures' (such as the number of people attending a course).

Inputs
The contributions made by each stakeholder that are necessary for the activity to happen.

Materiality
Information is material if its omission has the potential to affect the readers' or stakeholders' decisions.

Outcome
The changes resulting from an activity. The main types of change from the perspective of stakeholders are unintended (unexpected) and intended (expected), positive and negative change.

Outputs
A way of describing the activity in relation to each stakeholder's inputs in quantitative terms.

Outcome indicator
Well-defined measure of an outcome.

Revealed preference
An approach to approximating the value of an outcome to a stakeholder by inferring the value of an outcome that doesn't have a market price from something that does have a market price.

Scope
The activities, timescale, boundaries and type of SROI analysis.

Sensitivity analysis - an assessment of the extent to which an SROI model is affected by changes to assumptions about variables.

Social return ratio
Total present value of the impact divided by total present value of the investment.

Stakeholders
Groups of people or organisations that affect the activity being analysed or that experience change, whether positive or negative, as a result of the activity.