

# Ferry Project



## Octavia View

Social Return on Investment Analysis:  
A forecast of Octavia View's social added  
value

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## Supported by



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## Assurance statement

This report has been submitted to an independent assurance assessment carried out by The SROI Network. The report shows a good understanding of the SROI process and complies with SROI principles. Assurance here does not include verification of stakeholder engagement, data and calculations. It is a principles-based assessment of the final report.

## Executive Summary

The Ferry Project is a Wisbech based charity with a mission to “house the homeless with love and support towards independence”. The charity is embarking on a new venture, Octavia View, which is a centre which will house both the Ferry Project’s hostel and an extensive and varied community facility. A forecast Social Return on Investment (SROI) analysis has been conducted to estimate the social value that will be created by the centre. The SROI analysis was carried out by Citylife and funded by Social Enterprise East of England.

Stakeholder engagement is a key element of SROI and the Ferry Project’s current service users and the local community were consulted in this analysis. Their input was used to create an impact map which guided decisions about which outputs and outcomes would be included. Some outputs identified were not included because there was no evidence they would be provided at Octavia View. Other outputs and outcomes were excluded as there was insufficient time available to include them. Outputs and outcomes for service users and a number of public bodies were included in the SROI calculation.

Secondary research was conducted to identify indicators and financial proxies, and estimates were made by Ferry Project staff on the number of service users for whom each outcome would be achieved. These figures were used to calculate the forecast SROI for Octavia View. The analysis produced an SROI of 3.13. For every £1 invested in the centre, £3.13 of social value will be created. Of this social value, 55% will be created for service users, 2% for the Department of Health, 34% for the Home Office, 2% for HM Revenue and Customs and 7% for the local authority. A negative value will be created for the Department of Work and Pensions.

This calculation, as in all SROI analyses, was based upon assumptions. Some of these were tested in a sensitivity analysis where the figures used were altered and the SROI produced was recorded. The SROI calculated changed to between 2.53 and 3.72 as alternative assumptions were tested.

A number of recommendations were made as a result of the analysis, which may help shape data collection and improve the quality of future social impact measurement at Octavia View. The recommendations made included: ensuring Octavia View has in place a robust and efficient system for social impact measurement; and repeating the SROI, with a number of additions, 1-2 years after work there begins.

A final note is made that, through the conduct of the SROI analysis, the emotional investment in Octavia View from all parties has been revealed. This is a project that has the potential to change many lives. SROI is an extremely useful process but it must be remembered that the impacts of the project are reduced for analysis and, as such, the numbers must be understood as part of the wider story of the Ferry Project’s work.

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## **Part 1**

### **Boundary setting and impact mapping**

## Project background

The Ferry Project is a registered charity with a mission to “house the homeless with love and support towards independence”. The charity has been providing housing, support, training and employment opportunities for homeless people in Fenland since 1998.

The Ferry Project is currently embarking on a new venture, Octavia View. Octavia View (pictured on the front of this report) will be a large centre, in Wisbech, Cambridgeshire, which houses both the Ferry Project’s hostel and an extensive and varied community facility.

The hostel at Octavia View will provide accommodation, medical care, education, training, voluntary opportunities and other support to those who are currently homeless<sup>1</sup>. 24 service users will be housed at the centre at any time and they will each be encouraged to participate in a 3-month education and work skills programme. Throughout this, each service user will be allocated a mentor (a staff member at the Ferry Project), who will support them in areas including:

- Motivation and taking responsibility
- Self care and living skills
- Managing money and personal administration
- Social networks and relationships
- Drug and alcohol misuse
- Physical health
- Emotional and mental health
- Meaningful use of time
- Managing tenancy and accommodation
- Offending

Through this training and support, the Ferry Project aims to help their service users to regain independence and make the most of the opportunities that are available to them.

The community facility will house a shop, education facility, community café, and children’s play area, as well as a venue for community meetings, events and parties. Through this, the Ferry Project aims to provide much needed facilities and services for the community, as well as facilitating increased levels of contact between the community and their service users.

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<sup>1</sup> See Appendix A for example profiles of the Ferry Project’s service users.

## SROI analysis

This report forecasts the social value that will be created by Octavia View using the Social Return on Investment (SROI) methodology. The SROI model provides a method for understanding, measuring and reporting on the social, economic and environmental value that is created by an organisation or project. It examines the impacts that are achieved through the organisation's work and attributes financial values to these based on common accounting and investment appraisal methods<sup>2</sup>.

This analysis examines the value of the changes that will occur in people's lives as a result of the activities at Octavia View. It is hoped that this will help both the local community and potential investors in the centre to understand the aims of Octavia View and the potential changes that may be effected in people's lives through the activities there. The report set out to forecast the value of all the activities in the centre over one year, including both the hostel and the community facility. The scope of the report was not to include the value created by the intermediate housing which is also provided by the Ferry Project.

After beginning the stakeholder consultation, the scope of the SROI analysis was adjusted as it became clear that not all the outcomes identified by stakeholders could be included in the analysis within the time available. For this reason, the community centre and activities there were excluded from the analysis. The support and accommodation activities within the hostel at Octavia View, therefore, became the sole focus of the analysis. However, the views of the community established through consultation have been outlined in the report for information.

The SROI analysis has been conducted by Citylife and has been funded by Social Enterprise East of England.

## Terminology

There are some terms used in this report which it may be useful to explain. All definitions are sourced from the Guide to Social Return on Investment (Nicholls et al., 2009) unless otherwise indicated.

<b>Attribution</b>	An assessment of how much of the outcome was caused by the contribution of other organisations and people.
<b>Deadweight</b>	A measure of the amount of outcome that would have happened even in the activity had not taken place.
<b>Drop-off</b>	The deterioration of an outcome over time.

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<sup>2</sup> See Appendix B for more information on the SROI process.

<b>Impact</b>	The difference between the outcome for participants, taking into account what would have happened anyway, the contribution of others and the length of time the outcomes last.
<b>Indicator</b>	Information that allows performance to be measured. This usually takes the form of a statistical value which links an organisation's activities to its outputs and outcomes (Lawlor et al., 2008).
<b>Outputs</b>	A way of describing the activity in relation to each stakeholder's inputs in quantitative terms.
<b>Outcomes</b>	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.
<b>Proxy</b>	An approximation of value where an exact measure is impossible to obtain.
<b>Stakeholders</b>	People, organisations or entities that experience change, whether positive or negative, as a result of the activity that is being analysed.

## Stakeholders

It is vital to any SROI analysis that the views of stakeholders are gathered and used to shape what is measured throughout the process and, in the case of a forecast analysis such as this, to inform predictions about the likely affects of the project. As part of this SROI analysis all Octavia View's stakeholders were identified and decisions were made about which should be consulted<sup>3</sup>.

Many stakeholders were identified during this process. Due to this being a forecast SROI analysis, a number of these, such as potential partner organisations, are not yet sufficiently involved to inform the analysis. A number of other stakeholders, such as the local hospital or police were excluded because the savings from which they would benefit were already captured through inclusion of related stakeholder groups (national government in this case). Funders of Octavia View were also excluded from the analysis, despite being identified as important stakeholders, because it is usual that funders desire the same outputs and outcomes as service users. Analysis of documentation and a brief discussion with one funder suggested this would be the case here.

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<sup>3</sup> See Appendix C for details of the stakeholders identified and the reasons for their inclusion or exclusion.



The key stakeholders who were consulted for this SROI analysis were the service users and the local community. Both groups were asked about the outputs and outcomes they wanted Octavia View to achieve, and input was received from 14 service users (through a focus group) and 8 members of the local community (through a questionnaire)<sup>4</sup>. By reading documentation about the Ferry Project's goals for Octavia View it also became clear that there were a number of outcomes that the organisation wanted the service users to achieve that the service users themselves had not identified. Because these outcomes were firmly based in best practice and others' experience of supporting homeless people (having been drawn from the St Mungo's Outcomes Measurement Star) they were included in the analysis as desired outcomes for the service users.

In addition to these stakeholders, the views of a number of public bodies were also identified and included in the SROI analysis because of their potential financial significance.

## Impact map

Each organisation seeking to create change has an implicit or explicit 'theory of change'; a story about the way in which the inputs they, and others, invest into their work, and the activities they deliver, create the changes they desire among their various stakeholder groups. During the process of this analysis, an impact map was created for Octavia View. This tells the story of how the Ferry Project's stakeholders expect change to be achieved. The impact map is explained in narrative form below and is summarised in table 2 where, for each stakeholder, the changes they desire are described under 'outcomes' and the products or services from which they expect these changes to result are described under 'outputs'.

The links between activity, output and outcome in the impact map (i.e. the assumptions that the outputs and outcomes desired will result from the activities listed) are based on the experience of the Ferry Project's employees over the past 10 years, as well as Civis Policy Consulting Research's report on the effectiveness of the Supporting People programme (2008) which describes similar outcomes resulting from Supporting People's support for homeless people.

## Service users

In the story that the impact map describes, the service users input into the project by paying rent to the Ferry Project and giving their time, motivation and commitment to engaging in the activities on offer. The activities will include accommodation in the hostel at Octavia View; a 3 month education and work skills programme involving training, education and work placements; and a programme of support through which each service user will work one-to-one

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<sup>4</sup> See Appendix D for consultation methods and results.

with a mentor on areas including their social skills and relationships, management of time and money, and physical and mental health.

Each of these activities will directly result in a number of outputs, which, in turn, will lead to changes and improvements in the service users' lives (outcomes). By residing at Octavia View, service users will develop a routine and make use of the affordable accommodation that is available to them. They will benefit from the safety and security of this and from the experience of living with others and sharing communal spaces with them. Safe, secure accommodation will represent a significant change from the recent experiences of service users, who will come to Octavia View from the other hostels, temporary accommodation or the street. This experience of living in fixed and reliable accommodation, and living with others in this context, will also work alongside the support programme, to help service users to gain the skills required for them to live independently.

The support programme, delivered by mentors working one-to-one with service users, will support the service users to address areas with which they are struggling, as well as sign-posting them to other services (including on-site health services). Through this support, improvement in all the areas covered is expected. This includes service users taking increased responsibility, being better able to manage money, decreasing their drug and alcohol abuse, improving their physical, mental and emotional health, and reducing their chance of offending. The one-to-one approach will ensure support is effective as service users build up trust with one person and feel more comfortable discussing the issues that matter to them.

The education and work skills programme will include education and training courses and voluntary work experience for the service users. As well as working along-side the support programme to help service users improve their levels of responsibility and organisation, this programme will increase service users' levels of educational and work skills, making them more employable and helping them to gain access to jobs. The financial independence that is brought about by employment will enable some service users to move into independent accommodation.

### **Local community**

The local community will invest their time and money at the community facility; shopping in the book shop, furniture store and café and hiring the event venue. As they do this they will benefit from home-cooked food served at an accessible café in nice surroundings, local shops and a local, social venue. Members of the local community will also be able to use the on-site training facilities to access a variety of courses and will be able to undertake voluntary work in the shops. It is expected that, through these courses and work experience opportunities, members will improve their employment skills (thereby increasing their access to employment), improve their self-esteem and develop new relationships with other local residents. These new relationships will also be promoted by the shared spaces at the café.

As well as helping to improve relationships between local community members, the community facility will also bring local residents into contact

with service users. Some members of the local community who responded to our questionnaire hoped that this contact would create an improved understanding and perception of homeless people among the local community. This is also an ambition of the Ferry Project.

### **Public sector**

A number of government departments and the local authority are also involved in the theory of change at Octavia View. While they will not (at least initially) input into the project or be involved with the activities at the centre, they will benefit from savings made to their budgets. (It is assumed that this is a desired outcome as public sector bodies have not been consulted in this SROI analysis.)

The Department of Health (DoH) is likely to make savings as the support and increased access to health care that service users receive improves their physical and mental health and helps them to reduce their use of drugs and alcohol. These changes will result in service users having a decreased need for health services.

The Home Office will see savings as the mentoring support, education and training programme, and improved stability the service users experience, help them to reduce their risk of offending.

The support and education and training programmes will also create savings for the Department of Work and Pensions (DWP) as service users are supported into employment. When service users become employed they will no longer be entitled to a number of the benefits they receive and so the DWP will see a reduction in the amount they pay. The DWP also faces a negative outcome, however, as some service users increase the benefits that they are claiming. This will result from the support the service users receive to ensure they are claiming all benefits to which they are entitled.

HM Revenue and Customs (HMRC) will benefit from the increased tax and national insurance contributions that both service users and those who employ them will pay when the education and employment training and experience the service users receive helps them to access jobs.

Finally, the local authority (Fenland District Council, FDC) will see changes in the levels of housing benefit they pay; making savings when service users move out of Octavia View and into independent accommodation, and losses when service users are housed at the centre and helped to claim the housing benefit to which they are entitled. The FDC is also expected to make savings as service users increase their independent living skills and so reduce the frequency with which they will experience tenancy failure on leaving Octavia View.

While both positive and negative outcomes have been identified in the impact map, no unexpected outcomes have been listed. In part this is due to the fact that this is a forecast SROI, meaning any unexpected outcomes remain unexpected and will do so until they occur during the course of activity at Octavia View. In addition, no relevant, potentially unexpected outcomes have

been identified through stakeholder consultation, or in the experience of the Ferry Project's employees. When a data collection system is put in place to capture social outcomes at Octavia View, it will be important to ensure the system is able to monitor any unexpected outcomes as well as those that have been identified here.

It must be recognised, of course, that every service user's story is likely to be different; they will come from different backgrounds and have different histories and goals for the future. The story described in the impact map has been formed with input from a number of service users and local community members and so forms a model, rather than describing the journey of any particular individual.

It should also be noted that not all the outputs and outcomes mentioned by the stakeholders have been included in the impact map. This is because it would be unreasonable to include outputs (and the associated outcomes) that are desired by stakeholders but not currently planned for inclusion in Octavia View. By including outputs that may not be delivered, we would risk overestimating the social return in this forecast. The outputs and outcomes that have not been included in the impact map for this reason are described in table 1, below:

Stakeholder	Output	Outcomes
Service users	<ul style="list-style-type: none"> <li>• Access to private phone</li> <li>• Activities for all residents to do together, e.g. painting, pottery, darts, outings</li> <li>• Bimonthly meetings between staff and residents</li> <li>• Computer and internet access</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to privately contact the services required</li> <li>• Improved communication and bond between residents resulting in peer support</li> <li>• Improved communication between staff and residents so issues get dealt with more quickly</li> </ul>
Local community	<ul style="list-style-type: none"> <li>• Stall/shop selling fruit and vegetables</li> <li>• Social evenings/music venue</li> <li>• Craft stall</li> <li>• Centre where all community services are accessible: CAB, mental health, volunteering, council representatives, credit union</li> <li>• Gym/fitness room</li> <li>• Alpha course run by church leader</li> </ul>	<ul style="list-style-type: none"> <li>• Increased healthy eating</li> </ul>

Table 1: Outputs and outcomes not included

After identifying the outcomes and outputs which it was reasonable to include, a materiality check was carried out in order to determine which outcomes would be included in the impact map and the SROI analysis<sup>5</sup>. Duplication (such as the identification of 'improved relationships' and 'improved social skills' as outcomes for service users) was identified and removed and the remaining outputs and outcomes were entered into the impact map. As mentioned above, due to time restrictions, no outcomes for the local community were included in the SROI analysis. These will be discussed elsewhere.

Stakeholder	Input	Activity	Output	Outcome	Impact
Service users	<ul style="list-style-type: none"> <li>• Motivation</li> <li>• Commitment</li> <li>• Time</li> <li>• Rent</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in support with mentor</li> <li>• Participation in education and training</li> <li>• Reside in hostel at Octavia View</li> </ul>	<ul style="list-style-type: none"> <li>• Education and work skills programme</li> <li>• Voluntary positions</li> <li>• Accommodation (affordable)</li> <li>• Routine</li> <li>• Support framework - mentoring scheme offering support in, e.g. budgeting, alcohol and substance abuse, mental health, direction (identifying and pursuing goals)</li> <li>• Signposting/links with other services</li> <li>• Medical care</li> <li>• Communal room</li> </ul>	<ul style="list-style-type: none"> <li>• Increased educational/work skills</li> <li>• Increased access to employment</li> <li>• Safe, secure accommodation</li> <li>• Increased independent living</li> <li>• Increased skills required for independence (motivation, living skills, social skills)</li> <li>• Increased responsibility taken for own life</li> <li>• Increased ability to manage money</li> <li>• Decreased drug misuse</li> <li>• Decreased alcohol misuse</li> <li>• Improved physical health</li> <li>• Improved emotional/mental health</li> <li>• Decreased offending</li> <li>• Decreased victimization</li> </ul>	<p>Deadweight and attribution have been assessed and vary for each outcome. Greater detail is given in table 3.</p>

<sup>5</sup> See Appendix E for detail of all materiality checks

Local community	<ul style="list-style-type: none"> <li>• Time</li> <li>• Money spent</li> </ul>	<ul style="list-style-type: none"> <li>• Using community facilities – café, shops, event venue</li> <li>• Participation in training courses</li> </ul>	<ul style="list-style-type: none"> <li>• Café in nice surroundings</li> <li>• Home cooked food (from breakfast to late-night)</li> <li>• Volunteering opportunities</li> <li>• Social venue</li> <li>• Christian bookshop</li> <li>• Evening courses</li> <li>• Affordable furniture store</li> <li>• Venue which gives opportunity to meet service users</li> </ul>	<ul style="list-style-type: none"> <li>• Improved community relationships</li> <li>• Increased employment skills</li> <li>• Increased access to employment</li> <li>• Improved self-esteem</li> <li>• Improved understanding of homelessness</li> <li>• Improved perception of homeless people</li> </ul>	Deadweight and attribution not assessed as community outcomes not included in SROI calculation.
Department of Health	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Medical care</li> <li>• Signposting/links with other services</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced health expenditure (GP services)</li> <li>• Reduced health expenditure (care for drug/alcohol users)</li> <li>• Increased health expenditure (methadone programmes)</li> <li>• Reduced health expenditure (mental health care)</li> </ul>	Deadweight and attribution have been assessed and vary for each outcome. Greater detail is given in table 3.
Home Office	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Support framework - mentoring scheme with one mentor per resident, offering support in, e.g. budgeting, alcohol and substance abuse, mental health, direction (identifying and pursuing goals)</li> <li>• Signposting/links with other services</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced Criminal Justice expenditure (re-offending)</li> </ul>	

			<ul style="list-style-type: none"> <li>• Education and work skills programme</li> <li>• Voluntary positions</li> <li>• Accommodation (affordable)</li> </ul>	
Department of Work and Pensions	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Increased educational/work skills</li> <li>• Increased access to employment</li> <li>• Increased ability to manage money</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced expenditure on benefits (as people gain employment)</li> <li>• Increased expenditure on benefits (as people claim those for which they are eligible)</li> </ul>
HM Revenue and Customs	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Increased educational/work skills</li> <li>• Increased access to employment</li> </ul>	<ul style="list-style-type: none"> <li>• Increased tax and NI contributions received</li> </ul>
Fenland District Council	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Increased independent living</li> <li>• Increased ability to manage money</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced expenditure from tenancy failure</li> <li>• Increased expenditure on housing benefit (as people claim those for which they are eligible)</li> <li>• Reduced expenditure on housing benefit (as people begin to live independently)</li> </ul>

Table 2: Impact Map for Octavia View



## **Part 2**

### **Data collection and SROI analysis**



## Indicators and proxies

Indicators were selected for each of the outcomes that were to be included in the SROI analysis and financial proxies were then identified for these indicators. The indicators and proxies, along with the deadweight and attribution figures used, are outlined and explained in table 3, below. The financial proxies and some deadweight values were identified through secondary research<sup>6</sup>. In addition, some values were decided upon in discussion with Ferry Project staff, based upon their records and significant previous experience. The sources used to identify each proxy and deadweight value are given in the table. When Ferry Project staff or records are the source, 'Ferry Project' is listed. Their experience has allowed the Ferry Project both to develop strong knowledge of the service user group and of the form and affects of the potential partnerships which will be developed at Octavia View between the Ferry Project and related service providers. This positions the Ferry Project staff to make informed estimates for deadweight and attribution. All the estimates used should be tested in an SROI analysis conducted by The Ferry Project to evaluate the first 1 or 2 years work at Octavia View. At this point the partnerships in question will have been developed and it will be possible to base attribution figures on discussion among the partners, rather than on estimates.

It should be noted that the potential partners, to which the remainder of the outcomes achieved are expected to be attributable, include: F1 Training, delivering education and training for NVQs; Hope Social Enterprises, running furniture store and giving volunteering opportunities; district nursing sister, located on-site and providing health care).

Stakeholder	Indicator	Financial proxy	Deadweight	Attribution
Service users	Number of service users moving into employment	Annual salary at minimum wage [1] (HM Revenue and Customs) Value of benefits lost (DWP, 2008)	5% for service users who were claiming incapacity benefit (Durie and Wilson, 2007) 50% for others who would have been employed up to 6 months per year in seasonal positions (Ferry Project)	50% of outcome due to Ferry Project, 50% to other partners (Ferry Project)

<sup>6</sup> See Appendix F for discussion of financial proxies chosen where multiple possibilities were identified.

Service users	Number of service users completing education and work skills programme but not moving into employment [2]	Annual salary at minimum wage (HM Revenue and Customs) with Net Present Value formula employed to take account of time delay between education and training and employment [3] Value of benefits lost (DWP, 2008)	5% for service users who were claiming incapacity benefit (Durie and Wilson, 2007) 50% for others who would have been employed up to 6 months per year in seasonal positions (Ferry Project)	50% of outcome due to Ferry Project, 50% to other partners (Ferry Project)
	Number of service users safely and securely accommodated	Annual cost of private housing, including rent, electricity, gas, water and council tax [4] (www.nestoria.co.uk; Fenland District Council; National Statistics Office; Ofwat)	15% service users would otherwise be in other hostels (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)
	Number of service users moving into independent accommodation	Cost of generic floating support for independent living from Supporting People [5] (Civis Policy Consulting Research, 2008)	None (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)
	Number of service users with increased skills for independence	50% of cost of generic floating support for independent living from Supporting People [6] (Civis Policy Consulting Research, 2008)	None (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)
	Number of service users taking increased responsibility	Cost of time management/ personal effectiveness course [7] (www.emagister.co.uk)	None (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)
	Number of service users receiving correct benefits	Value of benefits service users receive [8] (DWP, 2008)	77.5% people already accessing correct benefits (Ferry Project)	90% of outcome due to Ferry Project, 10% to other partners (Ferry Project)

Service users	Number of service users reducing drug use	Average annual cost of drug habit (Addaction, unpublished)	None (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)
	Number of service users reducing alcohol use	Annual cost of high-risk alcohol consumption [9] (Calculated by author as no other information found)	None (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)
	Number of service users with improved physical health	Annual cost of local gym membership (Hudson Leisure Centre, Wisbech)	None (Ferry Project)	67% of outcome due to Ferry Project, 33% to other partners (Ferry Project)
	Number of service users with improved emotional/mental health	Cost of mental health support [10] (DoH Statistics Division; Netten and Curtis, 2003)	None (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)
	Number of service users prevented from re-offending	Annual salary at minimum wage [11] (HM Revenue and Customs)	None (Ferry Project)	67% of outcome due to Ferry Project, 33% to other partners (Ferry Project)
	Number of service users ceasing to experience victimisation	Cost of assertiveness course [12] (www.emagister.co.uk)	None (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)
Department of Health	Number of GP visits made by service users	Cost of GP services (Clarke et al., 2008)	None (Ferry Project)	67% of outcome due to Ferry Project, 33% to other partners (Ferry Project)
	Number of service users with drug/alcohol problem	Cost to health services of problematic drug/alcohol user (Addaction, 2008) Cost of methadone treatment (Netten and Curtis, 2003)	None (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)

	Number of service users with improved emotional/mental health	Cost of mental health support (DoH Statistics Division, 2003)	None (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)
Home Office	Number of service users prevented from re-offending	Cost of re-offending by a released offender (Clarke et al., 2008)	None (Ferry Project)	67% of outcome due to Ferry Project, 33% to other partners (Ferry Project)
Department of Work and Pensions	Number of service users receiving correct benefits	Value of benefits service users receive (DWP, 2008)	77.5% people already accessing correct benefits (Ferry Project)	90% of outcome due to Ferry Project, 10% to other partners (Ferry Project)
	Number of service users moving into employment	Value of benefits saved (DWP, 2008)	5% for service users who were claiming incapacity benefit (Durie and Wilson, 2007) 50% for others who would have been employed up to 6 months per year in seasonal positions (Ferry Project)	50% of outcome due to Ferry Project, 50% to other partners (Ferry Project)
HM Revenue and Customs	Number of service users moving into employment	Value of tax and NI paid through new employment (TUC; listentotaxman.com)	5% for service users who were claiming incapacity benefit (Durie and Wilson, 2007) 50% for others who would have been employed up to 6 months per year in seasonal positions (Ferry Project)	50% of outcome due to Ferry Project, 50% to other partners (Ferry Project)
Fenland District Council	Number of tenancy failures prevented	Cost of tenancy failure (ODPM, 2005)	None (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)

	Number of service users beginning to receive housing benefit	Value of housing benefit service users receive (DWP, 2008)	15% already accessed correct housing benefit (Ferry Project)	90% of outcome due to Ferry Project, 10% to other partners (Ferry Project)
	Number of service users becoming ineligible for housing benefit	Value of housing benefits saved (DWP, 2008)	None (Ferry Project)	100% of outcome due to Ferry Project (Ferry Project)

Table 3: Indicators and proxies

- [1] The value used for employment assumes service users will get positions paid at the minimum wage. The experience of Ferry Project staff shows this is usually the case.
- [2] Training is considered as an outcome in this SROI analysis as well being an output that contributes to the number of service users moving into employment. This is because there are clear benefits for service users who complete the education and work skills programme but do not immediately get a job (for example increased employability and level of education). To avoid double counting, this outcome is predicted only for service users who complete the training programme and do not get a job within the first year (not by those who do get a job).
- [3] The calculation for the value of increased education and work skills is based on the connection between training and earnings potential. To reflect the lag time between training and employment, it is assumed that employment will not be started until one year after training begins.
- [4] The value is based on average rent for a one-bedroom flat in Wisbech, council tax for such a property with a single occupant, and average electricity, gas and water bills for households across the UK. This could result in an over-estimate of the value as single occupants may use less of these consumables than the average household.
- [5] The value of increased independent living may be underestimated as the cost of generic support is used in the calculation. Service users recovering from mental health, drug or alcohol problems will need more expensive specialised support. The value is also likely to be an underestimate as it does not take into account the social value of decreased risk and frequency of tenancy failures.

- [6] Assumes independent living skills are half as valuable as independent living.
- [7] Revealed preference techniques (Nicholls et al., 2009) have been used to identify suitable financial proxies in a number of cases in this analysis. This method entails looking at how much someone is willing to pay to achieve the outcome. It does not assume that the stakeholder in question is *able* to pay this sum. The value used here is the average cost of the Time Management courses provided by the 'Top Providers' listed on the website.
- [8] Housing benefit has not been included when calculating the value of benefits that service users receive. This is because all housing benefit is paid as rent so there is no net gain for the service user.
- [9] In the absence of other information, the value has been calculated by the author based on consumption of 50 units per week at a cost of £3 per 8 units (a conservative estimate).
- [10] Based on the average level of support for people with mental health problems - 10 sessions with a community mental health contact.
- [11] The value of decreased re-imprisonment is underestimated; there are clear social costs to imprisonment in addition to the reduced earnings potential which is reflected in the calculation.
- [12] Value identified by averaging the costs of the Assertiveness courses provided by the 'Top Providers' listed on the website.

It should be noted that the values used as proxies have been calculated at different times in recent years. In some analyses, researchers use an Average Earning Index to inflate some such values. This has not been done in this case to ensure that the calculations remain well evidenced and conservative.

In addition, displacement has not been associated with any outcome. This is because it is predicted that no displacement will result from the outcomes identified. By accommodating and supporting homeless people, no other group is being deprived of anything to which they would otherwise have had a claim. The only consideration here is in terms of employment; the service users could potentially get jobs which others may have been able to obtain. However, because homeless people are so disadvantaged in the labour market, it is considered unlikely that the service users will displace other local residents when gaining employment.

## Data collection

When conducting forecast SROI analyses, the number of individuals who will achieve each outcome is estimated, before being adjusted to take deadweight and attribution into account. In this SROI analysis, estimates were made by Ferry Project staff, who have 10 years' experience delivering similar support to similar service users.

The basic estimates on which this SROI analysis is based are as follows: 100 individuals will come to Octavia View for support each year. Of these, 5 will drop out at some point. For these 5 it has been conservatively estimated that no outcomes will be achieved. Of the remaining 95 service users, 25 will remain at Octavia View for up to one month before being signposted to alternative, more appropriate services (e.g. young people will be referred to specialist services). These individuals will be helped to access the benefits to which they are due but, again conservatively, it has been assumed this will be the only outcome achieved for them. Of the remaining 70 service users, 40 are expected to complete the 3-month education and work skills programme. The outcomes that these different groups of service users will be supported to achieve have been outlined in table 3 and are described further and valued below.

### Education and employment

Of the 40 service users who finish the Ferry Project's education and work skills programme each year, 32 are expected to move into employment on completion of the programme. 8 others will benefit from the improved employment skills they gain through the programme.

The financial proxies used here account for the 3-month period when service users are undertaking the training programme (and so are not in employment), and for the fact that service users begin the programme at different times throughout the year. The proxies also account for the decrease in benefits that service users will experience as they move into employment (as well as the increased earnings they will receive). Housing benefit has not been included in the calculation, as is explained in [7] above. The value of education and employment for service users is shown below:

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users moving into employment	£ 6,420.97	32 <sup>7</sup>	34	50	11	£ 67,548.61
Number of service users completing education and work skills programme	£ 6,203.84	8	34	50	3	£ 16,316.09

Table 4: Value of education and employment

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<sup>7</sup> Numbers of service users have been rounded.

## Accommodation

The 70 service users who remain at the Octavia View for more than one month will benefit from the safety and security of comfortable, reliable accommodation. The value of this to service users is extremely significant, as shown in table 5, below. The proxy used accounts for service users' contribution towards their rent.

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users securely accommodated	£ 6,665.83	70	15	0	60	£ 396,617.03

Table 5: Value of accommodation

## Independent living

Of the 40 service users who complete the education and work skills programme, 80% are expected to move into independent accommodation, while the remaining 20% will move back in with family and friends with whom their relationships have been restored. These 20% will employ their improved independent living skills in these homes. The value for service users of moving into independent accommodation, and of these improved skills, is presented in table 6:

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users moving into independent accommodation	£ 3,665.60	32	0	0	32	£ 116,979.20
Number of service users with increased skills for independence	£ 1,827.80	8	0	0	8	£ 14,622.40

Table 6: Value of independent living

## Responsibility

It is estimated that 80% of the service users who remain at Octavia View for more than one month will begin to take more responsibility for their own lives, thanks to the mentoring and support they will receive. The value of this for service users is shown in the table below:

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users taking increased responsibility	£ 526.13	56	0	0	56	£ 29,463.28

Table 7: Value of increased responsibility



## Benefits

It is assumed that all of the service users who come to Octavia View, except the 5% who drop out, will be assisted to claim any benefits to which they are entitled. Based on past experience, it is estimated that 45% will be entitled to Jobseekers Allowance, 20% will be entitled to Income Support and 35% will be entitled to Incapacity Benefit (or equivalent after widespread introduction of the Employment and Support Allowance). Again, all of the service users will be eligible for Housing Benefit but this has not been included in the calculation.

The financial proxy used accounts for service users coming to the Ferry Project at different times throughout the year. The value of the benefits gained to service users is shown in table 8:

Indicator	Unit cost	No. occurrences	Deadweight amount	Attribution amount	Net Units	Social value
Number of service users receiving correct benefits	£ 3,331.74	95	78	10	19	£ 64,094.30

Table 8: Value of benefits claimed

## Drugs and alcohol

15% of the Ferry Project's service users are likely to have a problem with drugs, and another 15% a problem with alcohol. Of those with a drug problem it is estimated that 47% use heroin, and the remainder use cannabis (Fountain and Howes, 2002).

As a result of the support from the Ferry Project, 75% of those with a drug or alcohol problem, who complete the education and work skills programme, will reduce their drug or alcohol consumption by 67%. The value of this reduction to the service users is presented in the table below:

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users reducing drug use	£ 4,398.00	5	0	0	5	£ 19,792.13
Number of service users reducing alcohol use	£ 650.00	5	0	0	5	£ 2,925.00

Table 9: Value of drug and alcohol cessation

## Health

Reports from the local GP suggest that the frequency of visits to them by service users decreases when service users are settled into the Ferry Project. This evidence has been used to estimate that service users who remain at Octavia View for more than one month will experience improved physical health.

90% of service users entering the project have problems with their mental or emotional health, with approximately 80% of these suffering from mild mental health problems and 20% suffering from serious mental health problems. All of these service users will see improvements in their mental health as a result of the support they receive from the Ferry Project. The values of the improvements in both physical and mental health are described in table 10, below:

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users with improved physical health	£ 402.00	70	0	33	47	£ 18,760.00
Number of service users with improved emotional / mental health	£ 240.00	36	0	0	36	£ 8,640.00

Table 10: Value of improved physical and mental health

### Offending

30% of single homeless people have offended and are usually at risk of re-offending (ODPM, 2005), however, Ferry Project staff estimate that 5% of their service users go back to prison. This suggests the Ferry Project prevents re-offending by 25% of their service users. It is conservatively assumed that this outcome will only be achieved for service users who complete the education and work skills programme. The value of this outcome, for service users, is presented below:

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users prevented from re-offending	£ 11,918.40	10	0	33	7	£ 79,456.00

Table 11: Value of decreased offending

### Victimisation

It is estimated that 75% of the service users at Octavia View will have recently suffered mental and emotional abuse, in forms including verbal bullying. It is estimated that the increased self-esteem and social skills gained through the support received at Octavia View will help decrease this suffering for 50% of those who remain at Octavia View for more than one month. The social value of this is shown in table 12:

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users ceasing to experience victimisation	£ 332.93	37	0	0	37	£ 12,235.18

Table 12: Value of decreased victimisation

## Department of Health

The Department of Health (DoH) will gain from the Ferry Project's work at Octavia View through the decreased need for medical care that results from the improved physical and mental health of service users. The savings in medical care result from decreases in a number of areas:

- GP visits

It is assumed these will increase initially as service users are motivated to improve their physical health and have increased access to the GP, before decreasing in the medium and longer term.

- Problem drug users

Problem Class A drug users have high medical costs so a decrease in their numbers will mean savings for the DoH. However, the DoH will also face increased costs as service users who had a heroin problem are supported to enter methadone programmes. The financial proxy used accounts for this.

- Problem alcohol users

The medical costs for problem alcohol users have been assumed to be the same as those for problem drug users as no other data could be found.

- Mental health support

Service users with mild mental health problems who complete the work skills programme will gradually reduce and then cease to need their medication, and those with serious mental health problems will stabilise and cease to need emergency care.

The value of these outcomes for the DoH is described in the table below:

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of GP visits avoided	£ 38.00	213	0	33	142	£ 5,404.44
Number of service users reducing drug use	-£ 1,199.46	2	0	0	2	-£ 2,536.86
Number of service users reducing alcohol use	£ 1,712.54	5	0	0	5	£ 7,706.43
Number of service users with improved emotional/mental health	£ 439.60	36	0	0	36	£ 15,825.60

Table 13: Value created for Department of Health

## Home Office

The Home Office will gain from the Ferry Project's work at Octavia View through the decreased crime rate among service users. The value of this is described in table 14, below. It should be noted that the value given may be an underestimate as it does not include the reduction in the cost of crime associated with drug and alcohol users which will be achieved. This cost has not been included to avoid the risk of double-counting.

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users prevented from re-offending	£ 79,070.00	10	0	33	7	£ 527,133.33

Table 14: Value created for Home Office

### Department of Work and Pensions

The work at Octavia View will benefit the Department of Work and Pensions (DWP) through the reduction in benefits paid to service users as they gain employment. However, during the periods they are not employed, service users will also be assisted to claim the benefits to which they are entitled. This will mean increased payments by the DWP.

The financial proxies used account for service users coming to Octavia View at different times throughout the year. The value created for the DWP is presented below:

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users moving into employment	£ 3,014.43	32	34	50	11	£ 31,711.79
Number of service users receiving correct benefits	-£ 3,331.74	95	78	10	19	-£ 64,094.30

Table 15: Value created for Department of Work and Pensions

### HM Revenue and Customs

HMRC will see an increase in the tax and NI contributions they receive from the service users who move into employment, and from their employers. The proxy used accounts for the 3-month period when service users are not in employment because they are undertaking the training programme, and for the fact that they begin the programme at different times throughout the year. The value of this benefit for HMRC is shown in the table below:

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users moving into employment	£ 2,122.57	32	3	50	16	£ 33,953.97

Table 16: Value created for HM Revenue and Customs

### Local authority

The local authority will be affected by Octavia View through changes to the level of housing benefit being claimed and to the rate of tenancy failure in the local area.

All the service users who do not drop out from Octavia View will be assisted to claim the housing benefit to which they are entitled, if they are not doing so already. Those service users who complete the education and work skills

programme and move on to live independently or with family or friends will then cease to claim this housing benefit. As above, the financial proxy used accounts for service users joining Octavia View at different times throughout the year.

In addition, it is estimated that, without support, each of the service users who come to Octavia View would experience an average of 5 tenancy failures. As they are supported to improve their financial situation, organisation and skills for independence, each service user will reduce the number of tenancy failures they experience after leaving the project by 90%. Significant value will be created for the local authority through this decrease in tenancy failures. The value of these different outcomes is shown in table 17, below:

Indicator	Unit cost	No. occurrences	Deadweight amount (%)	Attribution amount (%)	Net Units	Social value
Number of service users beginning to receive housing benefit	-£ 1,365.00	95	15	10	73	-£ 99,201.38
Number of service users becoming ineligible for housing benefit	£ 1,365.00	40	0	0	40	£ 54,600.00
Number of tenancy failures prevented	£ 2,434.00	60	0	0	60	£ 146,040.00

Table 17: Value created for local authority

## SROI calculation

The SROI ratio for Octavia View was calculated in a number of steps. First, the social value created for the stakeholders was summed, giving the social value to be created in year 1 (during which the service users are resident at the Ferry Project). The outcomes were then projected into the future, using a Net Present Value calculation with a discount rate of 3.5% (as recommended by the Treasury) to reflect the uncertainty of achieving the estimated benefits. In projecting the benefits into the future, it is important to consider how long outcomes will last for stakeholders. The further into the future you project, the more likely it is that other interventions will have contributed to the impact, so care must be taken. Here it is estimated that the outcomes will continue to be experienced by all stakeholders for 3 years.

The calculation then takes into account drop-off, which is the recognition of the fact that, each year, a number of individuals are likely to drop out of their job or begin taking drugs again, etc. In this calculation a drop-off rate of 10% has been estimated, based on the Ferry Project's past experience.

The SROI ratio is then calculated by dividing the total value of the benefits created by the value of the investment. The investment in this case includes the project (£1,055,000) and building costs (£87,320) for the hostel at Octavia View and the housing benefit and rent paid to the Ferry Project by the service users (£62 per resident per week). The total building costs have been divided

by the 25 years over which the building will depreciate here, in line with standard accounting practice.

The SROI calculation is summarised below:

<b>Value created yr 1</b>	£ 1,503,103
<b>Value created yr 2</b>	£ 1,352,793
<b>Value created yr 3</b>	£ 1,217,514
<b>Total value (discounted)</b>	£ 3,813,248
<b>Investment</b>	£ 1,219,696
<b>Social return ratio</b>	<b>3.13</b>

Table 18: Summary of SROI calculation

The table and chart below show how the social value created is distributed between the stakeholders in question:

<b>Stakeholder</b>	<b>Social value created</b>	<b>% of total</b>
Service users	£ 2,296,587	55
Department of Health	£ 71,543	2
Home Office	£ 1,428,531	34
HM Revenue & Customs	£ 89,606	2
Local authority	£ 247,899	7
Department of Work and Pensions	-£ 87,757	

Table 19: Distribution of social value between stakeholders

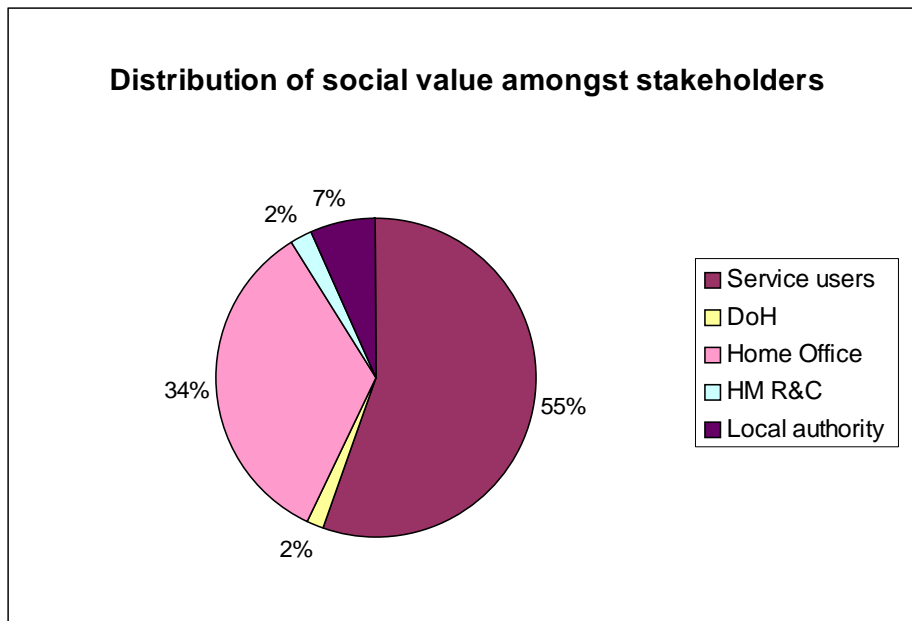


Chart 1: Distribution of social value between stakeholders

## Other benefits

Throughout this SROI analysis, the 'principle of inclusion' has usually been followed. This principle is based on the fact that only those things that are included are valued and so it is better to conservatively estimate the value of an outcome and include it in the calculation, than to leave it out altogether. However, this principle has to be balanced with the time available and, as mentioned above, in this case it was impossible to include the outcomes identified as desired by the local community in the SROI calculation. The outcomes that were identified and not included were:

- Improved relationships in community
- Increased employment skills
- Increased access to employment
- Improved self-esteem
- Improved understanding of homelessness
- Improved perception of homeless people

It is clear that these outcomes have a social value and the emotive language used in the questionnaire responses shows that this social value is significant to the local community.<sup>8</sup> This value could be included in future SROI analyses. To avoid significant underestimation of the social value of Octavia View, the figure for the financial input to the project used in the analysis does not include the investment required to run the community facility.

## Sensitivity analysis

This SROI analysis, like all others, is based upon a number of assumptions. As such, it is important to conduct a sensitivity analysis to assess the extent to which the results would change if the assumptions were altered. In this sensitivity analysis, a number of assumptions are tested and the affect on the SROI ratio is reported. The reasons for including particular assumptions are explained below:

- Cost of re-offending  
Two possible proxies for the cost of an ex-prisoner re-offending were found. The proxy used in the analysis (from Clarke et al. 2008) was chosen because it more closely represented the figure required; the full cost per year to the Justice System of a re-offending ex-prisoner. The effect of this decision on the SROI ratio is tested by substituting the other possible proxy (from Civis Policy Consulting Research, 2008).
- Number prevented from re-offending  
In the analysis it was conservatively estimated that rates of re-offending would only be reduced among those service users who complete the

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<sup>8</sup> Appendix C reports the local community's questionnaire responses in full.

education and work skills programme. The effect of changing this assumption to include all those who stay at Octavia View for more than one month is tested.

- Inputs  
Project costs and building costs make up the majority of the inputs in this SROI analysis. The effect of a 25% over-spend in these areas is assessed.
- Number of service users completing training  
Because so many of the outcomes for service users have been estimated to accrue only to those who complete the education and work skills programme, the accuracy of this estimate is important. The effects of an under- and over-estimate are assessed.

Indicator	Figure used in calculation	New figure	New SROI ratio
Cost of re-offending per released prisoner	£ 79,070	£ 40,791.50	2.60
Number prevented from re-offending	7	12	3.25
Inputs	£ 1,219,696	£ 1,505,276	2.53
Number of service users completing course	40	30	2.53
		50	3.72

Table 20: Sensitivity analysis

It can be seen from this sensitivity analysis that the SROI calculated ranges between 2.53 and 3.72 when quite significant changes are made to the assumptions involved. As there are few SROI analyses available for comparison, it is impossible to say whether this suggests a more or less robust SROI figure than usual; however it is notable that no drastic changes in the SROI ratio resulted from the changes made.





## **Part 3**

### **Conclusion, recommendations and reflection**

## Conclusion

The SROI forecasted for Octavia View is 3.13. For every £1 invested in the project, £3.13 of social value will be created. Of this social value, 55% will be created for service users, 2% for the DoH, 34% for the Home Office, 2% for HMRC and 7% for the local authority. A negative value is created for the DWP, meaning the project will increase the department's costs overall.

The SROI ratio calculated is based on a number of key estimates and assumptions, including: that 100 people will pass through Octavia View in a year; that 40 of these will complete the education and work skills programme; and that the outcomes generated for all stakeholders will last for 3 years. Some of these, and other assumptions, are tested in the sensitivity analysis. The SROI calculated changed to between 2.53 and 3.72 as alternative assumptions were tested.

The estimates on which this SROI calculation is based are deliberately conservative, especially the estimate that outcomes will last for 3 years for all stakeholders. This is likely to be a significant under-estimate for some outcomes, such as service users moving into employment, the effects of which are likely to last for much longer.

The potential outcomes of Octavia View for the local community have not been included in the SROI calculation due to the limited time available for the analysis. As such, the financial input used in the calculation does not include the investment required to run the community facility.

## Recommendations

This is the first SROI that has been conducted on any of the Ferry Project's work and, as such, it can be reflected upon and learned from. A number of recommendations are made below which might help shape data capture at Octavia View and improve the quality of future efforts to measure the social impacts of the Ferry Project's work:

- Current data collection systems should be assessed for their effectiveness and efficiency in capturing information on the social impacts of the Ferry Project's work.
- A robust data collection system collecting information on the social impact of Octavia View should be in place from the beginning of work there. This system should:
  - Be based, if possible and appropriate, on the current system (to avoid replication and unnecessary additional work);
  - Collect information about baselines and levels of improvement around the outcomes and indicators identified in this report.
- The SROI analysis of Octavia View should be repeated after one or two years of work at the centre to check the accuracy of the estimates made.

- Future SROI analyses should involve greater levels of stakeholder engagement (as a wider range of stakeholders will then be involved). Statistically robust techniques for sampling stakeholders should be used.
- The next SROI should also include the outcomes for the community, and potentially other stakeholders, in the calculation.
- More extensive consultation with stakeholders on the financial proxies selected should also be undertaken in future SROI analysis.
- It should also be considered whether calculation of separate SROI values for the accommodation and support services at Octavia View would be useful to the Ferry Project, as well as a combined value. Having separate values may strengthen further the Ferry Project's marketing and fundraising ability, as well as providing useful management information. If this is the case, efforts should be made to calculate these values in future analyses.

## Review and dissemination

In order to ensure the robustness, accuracy and completeness of this report, it has been reviewed by a number of the Ferry Project's employees and has been amended according to their comments. As well as being reviewed, SROI analyses must be reported back to the stakeholders who were involved in their production, as well as being made more widely available. It is planned that copies of this report will be made available to the stakeholders who were consulted, as well being made publicly available at an event set to launch fundraising for the services at Octavia View. In this way a range of stakeholders, including the local community, funders and potential investors, will be able to examine, and be informed by, the information it contains.

## Reflection

Throughout this SROI analysis, the hope that service users and the local community have for Octavia View and the changes it will create has become clear. There is an emotional investment from all parties and the project has the potential to change many lives. The benefits of the SROI process are significant and clear; by assigning financial values to social impacts, SROI speaks a language which is commonly understood. However, it must be remembered that the complexity, humanity and full significance of social impacts cannot be captured by a financial value; the impacts are *reduced* for analysis. As such, the SROI calculation and all figures presented in this report must be understood as part of the much wider story of how the Ferry Project changes individual lives and communities<sup>9</sup>.

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<sup>9</sup> Appendix G gives a case study showing the effect of the Ferry Project on a past service user.

## Appendix A – Example service user profiles

Below are four example profiles of Ferry Project service users:

<p><b>Steve</b><sup>10</sup> is 31 and has been living with a partner and her 2 children for 5 years. When this relationship broke down Steve had to move out of their home. Steve went straight to the Ferry Project when he left because he had nowhere else to go. He settled into the Ferry Project hostel quickly and engaged well. After 6 months he had moved out into his own flat.</p> <p><i>(This profile represents 10% of service users.)</i></p>	<p><b>Sean</b> is 32 and is a heroine addict who has recently started to use methadone to try to overcome his addiction. Sean has a chaotic lifestyle but engages well with the staff at the Ferry Project. Sean will stay at the hostel for two years, during which time he will take part in a range of volunteering and educational activities that fit with his aspirations and current abilities. Sean will review his own progress regularly and, in this way, will become motivated towards setting his own goals and achieving them. Sean will, therefore, begin to realise that he can take control of his life and achieve meaningful goals that matter to him.</p> <p><i>(This profile represents 40% of service users.)</i></p>
<p><b>David</b> is 26 and was in the care system, moving between foster homes, until he was 18. Since leaving foster care, David has been in prison twice for short periods and has engaged with a number of different services which have offered him a place to stay. He has been repeatedly evicted from these services due to behavioural problems. David came to the Ferry Project having been referred by his Probation Officer. He needs to find alternatives to his patterns of behaviour and, to do this, will need help to engage with other agencies from his Keyworker. If he will engage with the project, David will be able to take advantage of education and training opportunities, volunteering and work experience that can provide a way forward for him.</p> <p><i>(This profile represents 10% of service users.)</i></p>	<p><b>Louise</b> is 42 and suffers from mental health issues associated with her childhood and adult relationships. She is a drinker and this is preventing her from having access to her two adolescent children. She wants to deal with these issues and see her children. The Ferry Project supports Louise, working together with Drinksense, to manage her drinking and hopefully to come off the drink altogether. This will allow her to get access to mental health services and deal with her underlying problems. The project will then help her to resettle in her own accommodation where she can restore her relationship with her children.</p> <p><i>(This profile represents 40% of service users.)</i></p>

<sup>10</sup> All names and case details are fabricated, representing typical, rather than actual, service users.

## Appendix B – SROI framework and principles

The framework for carrying out a SROI analysis is to:

- Understand scope and boundary issues
- Identify stakeholders and their objectives
- Develop an impact map or theory of change
- Identify appropriate indicators and financial proxies
- Collect information on outcomes and financial proxies
- Collect information on attribution, drop off and deadweight, or benchmarks
- Collect information on expenditure or investment
- Calculate the SROI
- Do a sensitivity analysis and articulate assumptions
- Produce an SROI report
- Subject the report to verification

The principles of SROI are as follows:

- Stakeholders' perceptions  
Understand the way in which the organisation creates change through a dialogue with stakeholders.
- Scope and Materiality  
Acknowledge and articulate all the values, objectives and stakeholders of the organisation before agreeing which aspects of the organisation are to be included in the scope; and determine what must be included in the account in order that stakeholders can make reasonable decisions.
- Understand change  
Articulate clearly how activities create change and evaluate this through the evidence gathered.
- Comparative  
Make comparisons of performance and impact using appropriate benchmarks, targets and external standards.
- Transparency  
Demonstrate the basis on which the findings may be considered accurate and honest; and show that they will be reported to and discussed with stakeholders.
- Verification  
Ensure appropriate independent verification of the account.
- Financial proxies  
Use financial proxies for indicators in order to include the values of those excluded from markets in same terms as used in markets.

## Appendix C – Stakeholder analysis

The table below shows all the stakeholders identified for Octavia View, as well as whether their input was sought and included in this SROI analysis and the reasons for these decisions:

Key stakeholder	Reason for inclusion
Service users	Primary beneficiaries likely to be experiencing significant outcomes if activities are successful
Local community	Significant beneficiaries for community facility likely to experience significant outcomes if activities are successful
Fenland District Council (service provision)	Hostel service may reduce homelessness and associated problems, leading to savings for the local authority
National government (Department of Health, Home Office, Department of Work and Pensions, HM Revenue and Customs)	Savings in health spending, justice system spending and benefit payments and increased state income from taxes where homeless people are housed, supported and helped into employment.
Stakeholder	Reason for exclusion
Ferry Project employees	Employed to contribute to mission of organisation and therefore desire same outputs and outcomes as service users
Supporting People	Funder whose views are likely to be the same as service users'
Fenland District Council (funding)	Funder whose views are likely to be the same as service users'
Prison service	Savings captured under national government (Home Office)
Police	Savings captured under national government (Home Office)
Local hospital	Savings captured under national government (Department of Health)
Other service providers	Not yet involved in the project and will experience indirect benefits only.
Octavia Hill Museum	Possible future partner but not currently involved

## Appendix D – Stakeholder consultation

### Service Users

Service users were consulted through a focus group on 6<sup>th</sup> April 2009. 14 residents of the Ferry Project's current hostel (which is to be replaced by Octavia View) were present. The focus group was facilitated by the author, whom none of the residents had met previously, and it lasted approximately 45 minutes.

Having explained the proposed development at Octavia View and the purpose of the consultation, the facilitator asked the service users about the services they wanted the Ferry Project to provide at Octavia View (the outputs). The facilitator asked the residents to consider what changes they wanted to happen in their lives as a result of these services (the outcomes). When the desired outputs and outcomes had all been listed, the facilitator asked what the residents would be prepared to contribute to achieve these changes (the inputs). The recorded responses are reported, unedited, below:

Inputs	Outputs	Outcomes
<ul style="list-style-type: none"> <li>• Motivation</li> <li>• Commitment to attend</li> <li>• Goals - being clear about what you want and sticking to it</li> <li>• Time</li> </ul>	Education and training schemes	<ul style="list-style-type: none"> <li>• Increased access to employment</li> <li>• Increased confidence and self-esteem</li> </ul>
	Links with employers	<ul style="list-style-type: none"> <li>• Access to employment (inc. part time work)</li> </ul>
	Links with Job Centre	<ul style="list-style-type: none"> <li>• Access to correct benefits</li> <li>• Access to employment opportunities</li> </ul>
	Job	<ul style="list-style-type: none"> <li>• Increased confidence and self-esteem</li> <li>• Income</li> </ul>
	Links with Housing Association	<ul style="list-style-type: none"> <li>• Independence - living in own flat</li> </ul>
	Affordable accommodation	
	Mentoring scheme - weekly support from one worker in: Budgeting; Substance/alcohol abuse; Mental health; Direction	<ul style="list-style-type: none"> <li>• Increased trust in one staff member</li> <li>• Increased confidence and self-esteem</li> <li>• Increased security</li> <li>• Improved direction</li> </ul>
	Access to private phone	<ul style="list-style-type: none"> <li>• Able to privately contact the services required</li> </ul>
	Links with other services, e.g. alcohol cessation service	<ul style="list-style-type: none"> <li>• Get off alcohol, resulting in rebuilding life (job, relationship with kids)</li> </ul>
	Activities for all residents to do together, e.g. painting, pottery, darts, outings (residents prepared to chip in financially)	<ul style="list-style-type: none"> <li>• Improved communication and bond between residents resulting in peer support</li> </ul>

Bimonthly meetings between staff and residents	<ul style="list-style-type: none"> <li>Improved communication between staff and residents so issues get dealt with more quickly</li> </ul>
Communal room (with games, pool table, fitness equipment)	<ul style="list-style-type: none"> <li>Improved friendship between residents</li> <li>Greater freedom for 'normal' interaction</li> </ul>
Computer and internet access	<ul style="list-style-type: none"> <li>Access to jobs, courses etc.</li> <li>Improved chance of getting job</li> </ul>
Routine	<ul style="list-style-type: none"> <li>Increased confidence and self-esteem</li> </ul>

### Local community

The local community was consulted about the outputs and outcomes they desire from Octavia View through a questionnaire. In April 2009, the questionnaire (below) was distributed by Ferry Project staff to local community members, including some of their family and friends. Time constraints meant that this approach, rather than one which would have guaranteed a more random sample, was necessary. Eight questionnaires were returned and the responses are listed, unedited, here:

What are the most important activities, products or services you would like Octavia View to provide?	What are the most important changes, benefits or other effects you would like to see among the people who use the centre, and the local community?
<p>"I think I will enjoy the surroundings when using the café. I look forward to it being a kind of meeting place where interesting things are going on. I am glad to hear about a furniture section. Many cannot afford to buy new."</p>	<p>"I like the idea of somebody helping people who are down on their luck. Perhaps it will be like the old days when living in a community meant caring about each other – when neighbours helped each other and expected to do so."</p>
<ul style="list-style-type: none"> <li>Stall/shop selling fruit/veg to encourage healthy eating?</li> <li>Gym/fitness room</li> <li>Alpha course (run by church leader?)</li> <li>Anger management courses</li> <li>Debt counselling?</li> <li>Citizens Advice"</li> </ul>	<ul style="list-style-type: none"> <li>For people to learn skills to get into employment.</li> <li>Gaining self-esteem (e.g. women/men in abusive relationships being able to become independent and learn how to recognise patterns of abuse).</li> <li>To see positive examples and the Project's name becomes a good thing in the region."</li> </ul>
<p>"It will be nice to have a more central Christian bookshop. It is a long walk to the end of Norfolk Street. Will there be evening course when the college has gone?"</p>	<p>"I don't know a lot about being homeless, but it must be lonely and awful. I look forward to meeting some of these people around the project and the town. I think some must have sad stories."</p>
<p>"What a unique opportunity for any town. Wisbech should be proud of such a project. I am sure that all the work there will be important. I think the most exciting will be watching lives change."</p>	<p>"I hope that people will come to fully understand what being homeless can mean. I hope that human kindness, generosity and concern will replace cynicism, suspicion and prejudices. I hope the people who visit the project will take away much more than they</p>



	bring.”
“I think the town will need to be informed about this. I think there should be a series of articles in the local paper saying what it is all about so that people are curious to come to see what is going on – it will be good to see the old place with some life in it again.”	“I don’t know as yet, but I hope that people of Wisbech see that there is hope for those who are on the streets. I hope it will be a central place which calls to those who need help. I would like to help them there. I know there is drugs and that but it would be lovely to see a turn around, and be part of that.”
“Home cooked food would be good – dining outside will be welcome in Wisbech. I would like to see a craft centre now the market is closed.”	“I would think the work done will help to instil standards and values into community where these are sadly lacking at the moment.”
<ul style="list-style-type: none"> <li>• “Credit union – banking facilities so don’t have to go to loan sharks.</li> <li>• Home cooked food @ café, including breakfasts.</li> <li>• Gym.</li> <li>• A centre where all community services are accessible: CAB, mental health, volunteering, council representatives.”</li> </ul>	“Utilise people’s skills better where people bored on project. For example, older people needing help with gardening/befriending. Interaction with schools, where residents have had problems with drugs, show young people how it messed things up for them; or role models/mentors within Ferry Project.”
<ul style="list-style-type: none"> <li>• “Home cooked food late at night.</li> <li>• Social evenings for music venues.”</li> </ul>	“Single people developing relationships. Offering a service to the town of Wisbech, where these people would otherwise be on the streets sleeping rough giving a bad image for the town. And ill health of residents.”

## Octavia View - Impact Questionnaire



The Ferry Project (a local charity that has been providing support and accommodation for single homeless people in Wisbech since 1998) is embarking on the development of an exciting new centre. Octavia View will provide hostel accommodation for the Ferry Project's residents, as well as a community facility. The community facility will be open to all and will house an education centre, shop, café with indoor and outdoor seating, childrens' play area and community venue for meetings, parties etc. The centre will also provide volunteering opportunities for local residents.

The Ferry Project wants to predict how Octavia View will affect the local community. To do this, it is important to get local people's ideas about what they would like to get from the Centre. Please answer the questions below, as honestly and fully as you can. Your input will be used to shape how Octavia View is monitored, and will be used in the report which will be produced. We will not take your name so all your input will be anonymous.

What are the most important activities, products or services would you like Octavia View to provide? (Examples might be: home cooked food at the café; a safe children's play area etc.)

What are the most important changes, benefits or other effects would you like to see among the people who use the centre, and the local community? These changes and benefits should be things that happen as a result of the activities and services provided at Octavia View. (Examples might be: better interaction between different groups in the community; people with more confidence after getting a new qualification etc.)

## Appendix E – Materiality check

Stakeholder	Inputs and outcomes	How identified	Materiality
Service users	Time	Service user consultation	Material but no financial implication because, without interaction with service, service users are unengaged (e.g. in employment, or other services).
	Rent	Service user consultation	Material, included
	Motivation	Service user consultation	Immaterial, insufficient significance to effect calculation
	Commitment	Service user consultation	Immaterial, insufficient significance to effect calculation
	Increased motivation and taking responsibility	Ferry Project documentation	Captured in increased skills required for independence
	Increased responsibility taken for own life	Ferry Project documentation	Material, included
	Increased self care and living skills	Ferry Project documentation	Captured in increased skills required for independence
	Increased ability to manage money (and personal administration)	Ferry Project documentation	Material, included
	Improved social networks and relationships	Ferry Project documentation	Captured in increased skills required for independence
	Decreased drug and alcohol misuse	Ferry Project documentation	Material, included
	Improved physical health	Ferry Project documentation	Material, included
	Improved mental health	Ferry Project documentation	Material, included
	Increasingly meaningful use of time	Ferry Project documentation	Captured in increased responsibility taken for own life
	Decreased victimisation	Ferry Project documentation	Material, included
	Improved ability to manage tenancy and accommodation	Ferry Project documentation	Captured in increased independent living

	Decreased offending	Ferry Project documentation	Material, included
	Increased access to employment	Service user consultation	Material, included
	Increased confidence and self-esteem	Service user consultation	Captured in decreased victimisation
	Increased access to employment	Service user consultation	Material, included
	Improved access to correct benefits	Service user consultation	Captured in increased ability to manage money
	Increased access to employment opportunities	Service user consultation	Captured in increased access to employment
	Increased income	Service user consultation	Captured in increased access to employment
	Increased independent living	Service user consultation	Material, included
	Increased trust in one staff member	Service user consultation	Captured in increased skills required for independence
	Security of accommodation	Service user consultation	Material, included
	Improved direction	Service user consultation	Captured in increased responsibility taken for own life
	Get off alcohol	Service user consultation	Captured in decreased drug and alcohol misuse
	Improved friendship between residents	Service user consultation	Captured in increased skills required for independence
Local community	Improved community relationships	Community consultation	Material but excluded due to time available
	Increased employment skills	Community consultation	Material but excluded due to time available
	Increased access to employment	Community consultation	Material but excluded due to time available
	Improved self-esteem	Community consultation	Material but excluded due to time available
	Improved understanding of homelessness	Community consultation	Material but excluded due to time available
	Improved perception of homeless people	Community consultation	Material but excluded due to time available

## Appendix F – Decisions about financial proxies

In a few instances research yielded more than one possible financial proxy that could be used to value a particular outcome. The table below outlines the outcomes for which this was the case, the options available and the decision made:

Outcome	Indicator	Possible proxy (source)	Proxy value	Reason chose or rejected
Increase access to employment	Number of service users moving into employment	Average income in Fenland (Cambridgeshire LSP, 2008)	£25,300	Rejected, Ferry Project experience shows this is an unrealistic figure for service users to earn within the first 3 years of leaving the hostel
		Minimum wage (HM Revenue and Customs)	£11,918.40	Chosen, realistic figure for service user leaving hostel
Improved emotional/mental health	Number of service users with improved emotional/mental health	Cost of acute mental health episode for statutory homeless individual (Institute of Public Finance Ltd, 2003)	£6,000	Rejected because based on statutory homeless, which service users are not. Also, so much higher than other proxy so risks being over-estimate
		Cost of acute NHS hospital services for people with mental health problems (Netten and Curtis, 2003)	£493.6	Chosen because, while risking under-estimation as figure is not specifically for homeless people, maintains the conservative nature of the report
Decreased offending	Number of service users prevented from re-offending	Cost of re-offending ex-prisoner (Clarke et al., 2008)	£79,070	Chosen because includes all costs
		Cost per year of re-offending ex-prisoner (excluding costs of probation services) (Civis Policy Consulting Research, 2008)	£40,791.50	Rejected because does not include all associated costs

## Appendix G – Service user case study

This article was published in the Fenland Citizen on 18<sup>th</sup> February 2009. Christopher Bloomfield, a past service user at the Ferry Project, submitted the article voluntarily, with no input from the Ferry Project.

### Computer whiz Chris plans to repay Ferry Project favour

By Sarah Cliss

CHRISTMAS Eve 2007 saw Christopher Bloomfield released from prison – with no home and nowhere to go, he was referred to the Ferry Project at Wisbech. Once at the scheme in Mill Road, Chris was given a place to stay and all the support he needed to turn his life around.

Now the 30-year-old, who was jailed for two-and-a-half months for motoring offences, has moved on from the Ferry Project and has his own home in Wisbech, and is planning to marry his fiancée Karen Killick in August. And he wants to return the favour and help others like him, who have had problems in their lives to make a fresh start. Chris, who is currently unable to work because he suffers from sciatica, wants to set up a computer workshop where he can teach people the basics of IT.



**KEYING IN:** Chris Bloomfield, joined here by his fiancée Karen Killick, who is planning to set up a computer workshop and help people at the Ferry Project.

“I don’t have any formal qualifications, but I have been building and repairing computers since I was really young and I want to pass that knowledge on,” he said. “People who have been out of work perhaps don’t have any knowledge of how to work a computer and I can teach them the basics from how to turn the machine on to how to use programmes. I can give them some confidence with computers. I can even teach people how to repair and build computers,” said Chris, who worked for a charity in Attleborough on a voluntary basis looking after their computers, before his prison sentence.

But in order to get his scheme off the ground Chris needs some computers and he is appealing to people to donate their old machines. “Unfortunately I haven’t got the money to buy computers and I will be doing this on a voluntary basis so I need people to donate their old computers, which they would normally send to landfill. The good thing about having old computers is that I can show people how to dismantle and repair them without worrying about anyone damaging one,” said Chris, who has one or two venues in mind but would be glad to hear from anyone who has a space he could use. “My main aim is to help people at the Ferry Project, but obviously anyone else who thinks they would benefit would be welcome to join in,” said Chris.

Two charity shops – the British Heart Foundation and Help the Aged both on Wisbech Market Place – have offered to collect donated computers for Chris.

Anyone interested in finding out more about the scheme can contact Chris by calling him on: 07977951716.

“I realise it is going to be a slow process to get this off the ground, but hopefully it will work and won’t just fizzle out in the dark,” concluded Chris.

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