



P3's Sandwell Complex Needs Service

Social Return on Investment Analysis, April 2011

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

Placing clients with multiple needs and multiple exclusions at P3's Sandwell Complex Needs Service (SCNS) avoids costs valued at four times the cost of the service, simply for the time that clients are resident. Benefits are immediate since the service costs less than alternatives. Furthermore, for every person who successfully moves on from this service, total costs of over seven times the cost of the service are likely to be avoided.

The service contains and stabilises problems of offending and anti-social behaviour and escalating mental ill-health, therefore the health and justice sectors stand to gain the most financially from the existence of this innovative service.

In the longer term, the burden to the Local Authority of having to fund unsuitable and costly temporary accommodation for people who have been excluded from every other service is also likely to be alleviated especially if changes in clients' behaviour are sustained once they move on to more independent accommodation. Such continued impact looks likely, based on observed changes to clients' attitudes, however the first clients are only just about to move on so it is not yet possible to verify. The service looks set to achieve a positive change for *all* clients, with no unplanned moves from the service so far.

The way P3 is running the service is also bringing about system change by improving the partnership working by agencies involved, improving the efficiency of delivering services to people with complex needs and providing examples of good practice for other services in dealing with this client group.

The service creates significant value for clients, ensuring that their needs and aspirations are dealt with comprehensively by staff in a true partnership with other services and that they are provided with a safe, pleasant environment. This is a very different experience for clients who are used to cycling between psychiatric hospital or prison and being evicted from unsuitable temporary accommodation or being a victim of domestic violence. Clients mostly exhibit an appreciation for the chance they've been given, a respect for the staff and service and a willingness to engage, despite inevitable ups and downs. This study finds evidence of increased resilience underpinning less harm to self and others, improved relationships with agencies, family and friends and re-building of lives.

The total social return for each £1 invested in this service is around £9, taking into account the types and values of change identified from stakeholder involvement and the quantities, duration and counterfactual established by primary and desk research. This figure includes potential savings of £7 and other value of £2.

There is a strong argument for replicating the service because need for this type of service is considerably higher than supply, the potential savings are substantial, and the clients respond well to the model.

Introduction

Leading social enterprise and registered charity P3 has pioneered a new model of supported accommodation and floating support/ link working for adults facing chronic exclusion in the Metropolitan Borough of Sandwell- the Sandwell Complex Needs Service (SCNS).

The service aims to promote recovery, integration into society and independence of those who have been serially excluded from other services and have complex needs, through setting up a multiagency intervention. It has been operational for 16 months and some of the first clients to become resident are about to move on to more independent living.

This is a report on the social return on investment (SROI) of the service with the purpose of communicating the impact and value of the service. It has been compiled using the standardised approach to Social Return on Investment as documented in the Guide to SROI published by the Cabinet Office in 2009.¹ Social Return on Investment is a framework for accounting for the value that is created and destroyed for those affected as a result of an activity or service. It is based on seven principles which may be summarised as; involve stakeholders, understand what changes, value what matters, only include what is material, do not overclaim, be transparent and verify the result.²

Jenni Inglis, VIE (for life) Ltd conducted the SROI analysis and wrote this report.

The report covers:

- Background on SCNS and P3
- About Complex Needs, Chaotic Lives and Chronic Exclusion, the SNCS client group
- Scope and stakeholders of the SROI analysis
- Inputs and activities considered within the scope including what are the particular features of the way the activities are conducted
- Outcomes- types of outcomes, quantities and value
- Summary of SROI
- Appendices
 - o Appendix A- establishing types and values of change- analysis of stakeholder interviews
 - o Appendix B- impact map base case (excel spreadsheet)
 - o Appendix C- analysis of changes in consumption of services (excel spreadsheet)
 - o Appendix D, E, F and G- impact maps showing sensitivity analysis (excel spreadsheet)
 - o Appendix H- explanation of assumptions made about deadweight, attribution, displacement and drop off.
 - o Appendix I- Bibliography

¹ A guide to SROI, Nicholls et Al, Cabinet Office, 2009 available for download from www.thesroinetwork.org.

² A full description of these principles may be found on p93 of the Guide referenced above

Background on P3 and the Sandwell Complex Needs Service

P3 is a social enterprise and a registered charity. Their mission is to:

“Give people the practical skills and self esteem that they need to sustain an independent and self sufficient lifestyle by providing opportunities and support that help vulnerable people move on from social exclusion to inclusion.”³

P3 operates services for, and creates opportunities for, vulnerable and disadvantaged people with the aim of establishing successful and lasting routes out of social exclusion and homelessness. They have won numerous awards and accolades for their work including The Sunday Times best mid-sized company to work for in 2010.

A particular feature of the way they work is to partner with the public sector in order to deal more effectively with the problems that the public sector finds it hard to tackle alone. P3 has operations across the Midlands and South of England. The service under consideration in this report is based in the West Midlands, in the Metropolitan Borough of Sandwell.

Sandwell was the 10th most deprived local authority district in 2007, out of 354, based on the average ranking of its lower layer super output areas⁴.

Sandwell Metropolitan Borough Council awarded a contract to P3 for provision of a supported accommodation service to people with complex needs⁵, who have a history of being excluded from other services and are resident in the council area.

The service was set up to meet a gap in provision as identified by the Sandwell Supporting People 5 year plan⁶. P3 were a partner in the co-production of this plan. Prior to the service being available, Sandwell had to routinely move people out of the area or to attempt to support people in inappropriate temporary accommodation. The Council

Case study

The client is a young woman who was accepted as an emergency client at SCNS because she did not accept that she needed help, which is a normal pre-requisite for entry. She was pregnant and had very challenging behaviour. She had been excluded from her temporary accommodation in 3 bed and breakfast facilities. The referring agency was extremely concerned about her. She was accepted on a temporary basis, since children cannot be resident on the premises. She was initially settled in the unit for 3-4 months there were a few small breakthroughs during this period, including that she made several purchases for her unborn child, something which she had not done for previous pregnancies. On returning to P3 after the birth of her child, who was taken into care, she has been engaging with her CPN and drug treatment services and has started to make plans to move on from the service and get custody of her child.

³ P3 website

⁴ 2007 Index of Multiple Deprivation, available for download from the Office of National Statistics

⁵ Two or more of substance misuse, mental health issues, behavioural issues and offending.

⁶ Available for download from

http://www.sandwell.gov.uk/downloads/file/738/supporting_people_five_year_strategy

decided to tender alone for this service following a significant period of working with other Black Country local authorities on a cross authority service. The five year plan particularly highlights that an objective of the service being commissioned was to have a service for people with “problematic drug use”.

The contract was awarded in March 2009 after a competitive bidding process. Following a period of construction of premises and development the service received its first client in December 2009 and new referrals were accepted in a controlled manner until the service was full by the end of February 2010. It has been operating at full capacity ever since.

Chronic Exclusion in Context

The client group that the Sandwell Complex Needs Service works with are entrenched in a cycle of criminality and/or severe mental health problems, substance and alcohol misuse and homelessness. In all cases, this cycle has persisted for many years and coincides with multiple exclusions from services that find these clients' behaviour difficult to deal with. In short they face chronic exclusion.

Estimating the Scale of the Problem

There is a significant minority of adults in England who can be categorised as facing chronic exclusion. Research from University of Nottingham puts the percentage of adults in the population with multiple needs at 3.5% of which 24% have chaotic lifestyles⁷. Based on an adult population in England of 41,529,516⁸ this would suggest around 348,848 people have both multiple needs and chaotic lifestyles. In Sandwell Metropolitan Borough this would be nearly 2000 people- how many of these would be serially excluded is unknown.

Another approach to making an estimate is to look at how many make unplanned moves on from Supporting People services. This suggests around 50,000⁹ per annum are likely to have complex needs and have been excluded from service at least once. The numbers of these people serially excluded over time is unknown, but assuming this represents half of those making unplanned moves on from Supporting People it is approximately 25,000 people. In Sandwell this would be approximately 105 people¹⁰.

The Sandwell Complex Needs Service has space for eight people at any time in supported accommodation (individual flats) and has an associated link worker/ floating support service with capacity for 60 clients in a year¹¹.

Problems faced by the chronically excluded

An important problem for this client group, and the reason for Supporting People intervention, is that it is difficult to house this client group on a longer term basis. They may present as aggressive and anti-social and/or have history of rent arrears. Therefore they are trapped in a cycle of temporary accommodation which was described by many of the statutory agencies as "totally unsuitable".

All the Sandwell clients have histories of being abused, and/or of committing crime and/ or of severe mental ill health. All, but one, have substance misuse problems.

Statistics on seven of the eight residents at SCNS, as of March 2011, make sobering reading:

- clients previously evicted from temporary accommodation – 6/7

⁷ Schneider et al, Better outcomes for the most excluded, The Institute of Mental Health, University of Nottingham, 2007.

⁸ 2001 Census <http://www.statistics.gov.uk/census2001/profiles/commentaries/people.asp>

⁹ From the SP Client Records Database run by St Andrew's University

¹⁰ In the course of this work, stakeholders were asked whether they thought there was unmet demand and most agreed there was by a factor of at least two or three times.

¹¹ Linkworker is a service model developed by Revolving Doors in partnership with P3, see <http://www.revolving-doors.org.uk/partnerships--development/projects/link-worker/>

- clients previously evicted from rental property- 5/7
- clients with a criminal record¹²- 6/7
- clients having spent time in hospital for psychiatric reasons- 3/7
- clients having spent time in prison 4/7
- clients using illegal drugs – 6/7
- clients with particular alcohol problems- 2/7
- clients victim of domestic violence- 2/7

To be chronic problems must have lasted for some time and that is certainly the case for the clients at SCNS. Clients' ages range from 23 years old to 59 years old. Problems could mostly be documented back to early adulthood, so the longest continuous history of multiple problems and exclusions was about 40 years and the shortest was about 9 years. In at least one case there were problems in early adulthood which appear to have been largely resolved but then flared up again later in life.

They may have received key-working at previous accommodation and may have had competent and even proactive support in the past. However nobody in their past has been able or willing to take sufficient responsibility for helping them to sort out a sufficient number of their problems for a long enough period of time that they've been able to break the cycle for as much as a year.

The Policy Response to Chronic Exclusion

In the last ten years in particular there has been growing awareness in Government of how significant and costly the problem that SCNS tackles is, both in terms of the lives of those people caught up in the negative cycle, and in terms of a society that tries to pick up the pieces.

For example the Coalition Government stated in 2010:

The evidence suggests that particular gains can be made by focusing strategies on prolific offenders because this group places the greatest demand on the system, causes the greatest costs to victims and wider society, and is typically dealt with through short custodial sentences where there is limited scope for intervention.¹³

In 2007 HM Treasury¹⁴ reported that the adult(s) in "a family suffering from five problems (depression, alcohol misuse, domestic violence, short periods of homelessness, and being involved in criminality) can cost between £35,000 and £80,000 per year in public services" and £55,00 to £115,000 when the fuller costs of dealing with the impact are taken into account. The children in a family were found to cost a further £36,000 to £300,000 depending on how badly damaged they had been. This report notes that not all of these costs are avoidable and e.g. that poor mental health can be enduring.

12 Convictions included for theft, battery, assault threatening behaviour, burglaries, possession of weapons and drugs and shoplifting.

¹³ Green Paper Evidence Report Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders, Ministry of Justice, 2010

¹⁴ HM Treasury. (2007) Aiming High for Children: Supporting Families.

Models of good practice

The previous Government set up Adults Facing Chronic Exclusion Pilots¹⁵ to find new ways to address this population. None of these models included supported accommodation, so it is not possible to make a direct comparison with Sandwell Complex Needs service. The final ACE evaluation by Matrix Insight was published in June 2011¹⁶.

Reviews of models of good practice¹⁷ suggest a number of features that the Sandwell Complex Needs Service meets on all counts. For example:

Factors promoting positive engagement and outcomes¹⁸

- Personalised services, including methodology of person-centred planning with holistic approach
- Joint work and effective partnerships and joint strategies/ action plans are required
- Link/ liaison and co-ordinating roles
- Pro-active, responsive and flexible services that enable positive response to needs
- Positive reception/ referral
- Easy access points/ integrated front-line services for people with multiple/ complex needs in deprived areas particularly,
- Empowerment through enabling self-determination
- Advocacy
- Maximising service user involvement
- Momentum to tackle stigma and promote positive images

Schneider et al (2007) helpfully categorise exclusions as occurring in three ways:

- Boundary exclusion, caused by eligibility criteria and lack of overall accountability for the client by the system
- Exclusion by neglect where the most needy are let down by services who should in theory help them, and
- Exclusion by omission, where no appropriate service exists, particularly thought to be the case for adult neuro-developmental disorders.

The approach to dealing with the issue must therefore include three features found in SCNS:

- Someone who takes responsibility for the client until the client is capable of taking responsibility for themselves
- Someone who helps the client to engage with the services they are entitled to and deals with any issues of services finding it hard to engage with the client and
- Someone who spots any gaps in services available to meet the clients need and can mobilise the system to deal with it

¹⁵ As part of this initiative, P3 provide the Linkworker+ pilot in Milton Keynes.

¹⁶ Available at <http://www.communities.gov.uk/publications/housing/chronicexclusionevaluation>

¹⁷ See for example Schneider et al, Better outcomes for the most excluded, The Institute of Mental Health, University of Nottingham, 2007.

¹⁸ A literature review by the Scottish Government
<http://www.scotland.gov.uk/Publications/2007/01/18133419/9>

In summary, many have commented that the chronically excluded are everyone's problem but nobody's particular responsibility. What P3 does is to take responsibility and then to work with the clients to build their capacity to take responsibility. This doesn't mean nobody else could, although the barriers to statutory agencies doing so may be higher, and it would require most professionals to battle against gate keeping policies designed to protect them and to overstep their area of defined responsibility. The longer term prospect for this client group without this service is that their criminal behaviour escalates to the point where they were given a lengthy prison sentence, their mental health deteriorates to the point where they become a long term inpatient, they overdose, commit suicide or are killed by someone else.

Scope and Stakeholders

The scope of the SROI analysis is the Sandwell Complex Needs Service (SNCS) - a supported accommodation service for 8 people at a time for up to 2 years.

The SROI analysis may be considered to be:

1. An evaluative account of the impact and value of the first year of operations, to 31st December 2010. As this analysis was concluded shortly after the first year of operations, data about the quantities of outcomes was available and was used.
2. A forecast account of the impact and value of the second year of operations, to 31st December 2011 based on data acquired during financial year 2010/11 and projections. The clients stay at the service for up to two years, therefore what may happen in year 2 has been forecast, based on assumptions about quantities of outcomes from the picture that emerges in year 1.

Taken as a whole the analysis must therefore be considered as a forecast.

The objectives of the analysis are to provide additional evidence of impact in the context of pressure on public sector budgets and to inform P3's future monitoring and management of the service.

The resource available to complete the study is the researcher, working as a contractor to P3. Staff of P3 assisted by providing (anonymised) information about clients and by setting up meetings.

In SROI terms, stakeholders are groups of people and organisations who experience change or who make an input. The following stakeholders¹⁹ were identified and consulted are as follows:

Stakeholders	Method	No of people or orgs in group (yr 1)	Number consulted
Clients resident at the Sandwell Complex Needs Service	Face to face, semi-structured interviews.	8	6 ²⁰
Black Country Partnership NHS Foundation Trust Community Mental Health Teams/ Assertive Outreach Team	Panel meeting and telephone interview	3	1
West Midlands Probation	Panel meeting and telephone interview	2	2
NHS Addiction Services (drug and alcohol)	Panel meeting and telephone interview	2	1
Supporting People team at Sandwell Metropolitan Borough	Panel meeting and telephone interview	2	2
Police Community Support	Panel meeting and	2	1

¹⁹ These stakeholders were identified by P3 staff, the author or from talking to other stakeholders at some point during the period of analysis (not necessarily at the outset) This list was revisited frequently and there are no stakeholders excluded from consultation about change

²⁰ Of which 2 were seen 4 times, 1 twice and 3 once. Appointments were made with the remaining 2, however circumstances changed at the last minute because of the clients' chaotic behaviour and/or their need to keep higher priority appointments at shorter notice.

Officers	telephone interview		
Sandwell Homes Housing Options team and Community Care team	Panel meeting and telephone interview	2	2

Inputs and activities

Inputs to the service include:

- A contract with the Supporting People Team at the local authority,
- Housing benefit²¹
- The service charge paid by the clients, and
- The time of a multi-agency practitioner panel who meet monthly at the service to discuss cases.

Each of these inputs has been valued and comprises the **investment** against which the social return can be compared. These are shown on the impact map and have been broken down into an estimate of the inputs made to the supported accommodation and the inputs made to floating support.

Activities may be summarised as

Supported accommodation 24 hour a day, 365 day a year comprising:

- Eight individual flats within a purpose designed, gated, block.
- A key support worker assigned to each client
- A detailed support contract
- A multi-agency outcomes focused intervention appropriate to each client
- A regular review of clients' progress
- Support with their needs but also with their aspirations.
- Short term goals are set
- Support with life skills
- Activities tailored to each client, drawing on outside services, e.g. an art group, personal trainers, gardening. The clients might have an activity brought to them initially to help them engage and the focus will be on supporting them to access it independently within a reasonable timeframe.

Floating support to clients looking to move in and out of the accommodation and to others referred by the panel, operating Monday to Friday daytime is also available²² and comprises:

- Support contract
- Weekly one to one meeting with key worker
- Access to telephone and support as required

²¹ Only the amount in excess of the Housing Benefit cap for a one bed flat in the Black Country general housing area has been included.

²² This has not been included within the scope of the analysis

Features of the Service that may Support Change

Whilst an account of how much value is created may be interesting, in order to make better decisions about resource allocation and delivery models in future, some understanding of **how** that value is created is necessary. In order to identify this, clients and other stakeholders have been asked what it was about the service that helped specific outcomes happen and/or what they consider to be particular features of the service²³. The intention is to be able to comment further on the distinction between change that would have happened as a function of the service being commissioned and that which has happened as a result of P3 operating the service.

Change inherent in new service	Further change supported by the way P3 operates the service.
Having a residential service particularly designed for people with complex needs leads to being able to support people who would otherwise be in unsuitable temporary accommodation.	Requiring that referring professionals stay involved if “their” client is to stay in the facility leading to better support of clients. Clients tended to agree that they had access to better support than before.
Having a service that deals with clients referred from multiple sources and with multiple issues encourages partnership working.	Setting up a practitioner panel and being proactive about encouraging professionals to attend the panel meeting. The panel all recognised this as a major achievement and reason for their continued involvement. They said it led on to being able to work with other agencies better.
Having a service that deals with people who have been excluded elsewhere enables clients to be supported who would otherwise become further excluded from society.	Helping clients to confront their problem behaviour. This is (surprisingly) an aspect of the service that clients accept and value.
	Use of sanctions (such as time out) to reduce negative behaviour and reduce likelihood of needing to exclude clients. Clients tended to identify this as a positive aspect of the service, many said they were concerned about losing their place and one gave an example of how time out had helped him to take more responsibility.
	Accepting and dealing effectively with risk. Supporting People particularly emphasised this as a positive aspect of how P3 operate the service. It leads to challenging clients receiving services (who might otherwise simply not receive services)
The quality of the accommodation is high and that gives residents something to aspire to.	

²³ This reasoning is not a standard part of the SROI methodology but may be thought of extending the logic of understanding change which normally concentrates on understanding the material point on the chain of events. By asking this additional question the Author is attempting to identify how change is created.

Outcomes

SROI deals with understanding outcomes in two stages. The first stage is to establish the types of change (outcomes) that take place, by involving stakeholders, and the second stage is to establish or estimate the quantity of these outcomes taking place.

The sorts of change that occur as a result of the service operating were established with reference to:

- Interview data from client and organisational stakeholders (as per the stakeholder involvement plan in the previous section) on the subject of “what has changed for you and your organisation?”²⁴
- Analysis of the prior and current usage of public services by seven of the clients resident at SNCS, based on extracts from clients’ files provided by staff. Files are comprehensive because of the multiagency approach of the service. This analysis identified a few types of change that had clearly occurred but were not mentioned by stakeholders²⁵.

Types of outcomes found

Changes important to clients

Clients were interviewed in their first year of being resident with the service. Since none of the clients has yet moved on to more independent accommodation it is not possible to be sure whether there will be other sorts of outcomes occurring when this takes place.

The outcomes captured so far may therefore be thought of as short term outcomes. They were important to the clients so they have been measured and valued, however in the longer run these same changes may take on a new significance or become the basis for different outcomes. The changes for clients are thus understated in this analysis.

The outcomes were analysed as being linked in chains of events²⁶ as follows:

Increased Resilience	
Key factor	As a result of being challenged by staff
First Change	I’m learning to control myself and deal with problems
So what?	My behaviour has changed
So what?	I cause less harm to self and/ or others
Possible future changes	Able to keep applying for work, stops taking drugs, stops offending, able to recover from mental health issues.

²⁴ See appendix A for more detail on how the types of changes were identified.

²⁵ SROI is described as “stakeholder informed rather than stakeholder led” so these changes should be taken into account so long as they are judged to be material.

²⁶ See appendix A for more detail on how these changes were analysed.

Improved Relationships	
Key factor	Support of staff
First Change	I'm more positive about myself
So what?	I can deal with others better
So what?	I let others help me, I have new friends and I have rebuilt relationships with family
Possible future changes	Able to play part in children's lives. Able to get help when needed. Build positive partnerships.

Re-building my life	
Key factor	Safety/ stability and planning
First Change	I'm not just in survival mode
So what?	I can start to think about and plan for the future
So what?	I spend my time more positively; I save money for the future.
Possible future change	Able to sustain tenancy, able to engage in work or training.

The extent to which changes last and can be developed in independent living are likely to depend on the extent to which substance misuse can be tackled whilst clients are resident. Clients did mention changes in substance misuse at interview but it was not always clear that they felt motivated to eliminate substance misuse.

There was also a change for some of the clients that they perceived as negative which is discussed in appendix A.

Changes important to other stakeholders

As a result of changes in clients behaviour and needs

Having analysed the files of seven of the clients, and spoken to the stakeholders on the panel, it is striking that in most, but not all, cases the cycle of crime, exclusion and psychiatric crisis and anti-social behaviour stops immediately that clients become resident. Therefore the service makes a significant difference to the consumption of public services by clients in the short term, i.e. from day one.

However people do not change overnight- they still suffer from mental ill health, drug and alcohol misuse continue, albeit probably at a lower rate.

Since clients were mostly already in and out of touch with very many services, only those where there was likely to be a significant change in entitlement or need to use them, as a result of SNCS, have been tracked. Ultimately this comes down to those uses of public services driven by:

- criminal and anti-social behaviour
- evictions and rent arrears
- use of emergency and crisis services such as A&E and in-patient psychiatric beds
- need for state care of dependents

It did not appear that use of longer term mental health services or drug and alcohol treatment services had changed significantly, although there was some evidence that these could be provided more effectively and efficiently in this setting- see the following section.

There are two basic approaches to dealing with the fact that not all change is down to SNCS/ P3's efforts. Either the inputs made by others should be counted within the scope or some of the outcome should be attributed to the efforts of others. In this case, the efforts of P3 have been seen as a catalysing factor; bringing in services that are necessary but insufficient for the change to take place by themselves and thus outcomes have been partially attributed to others rather than attempting fully map changes in inputs for each client, which would be a massive task.

This approach means there are some changes in use of services that other studies would see as relevant that have not been included. For example there is a client who was not in receipt of significant benefits they were entitled to prior to becoming resident. Because they were entitled it has been assumed that the state had already made the judgement that this was a beneficial thing to do. Given the small numbers of people involved and it is has therefore been deemed to be an insignificant change to the DWP and not material to the SROI.

This is a good facility and my life has changed. I was living in a hostel and was moving around a lot but now I have somewhere to live. *Client*

Other changes, e.g. as a result of the way the service is run

The monthly panel meetings were noted by nearly all stakeholders interviewed as an important feature and different from what they were used to. Many professionals had experiences of sitting on other panels but this one was generally considered to be particularly comprehensive, well run, well attended, productive and enlightening. Given attention to joined up working in policy it could be argued that this is a system change in and of itself. However, when asked what impact this had had on professional practice panel members further stated that:

- They had been able to work together more effectively to support clients,
- Had learnt about what each other does which had enabled them to signpost other clients more effectively, or
- Had learnt useful practice from P3 which they were using to support implementation of changes internally.

Therefore the change has been treated as a type of professional development.

One organisational stakeholder, when interviewed about what changed for their organisation was able to identify that the set-up at SNCS service enabled their service to see clients more efficiently, with less travel time, less chance of no-shows and more productive meetings. They were able to estimate the amount of time that this freed up to see other clients.

Indicators, quantities and values of change

How change has been measured for this report

Change for clients

Indicators, quantities and values of change are shown on the accompanying impact map. It shows that 8 out of 8 clients experience the positive outcomes and 4 out of 8 the negative (to them) outcome.

Since 6 out of 8 clients were seen directly by the researcher and answered questions about change both in terms of behaviour and feelings the quantities of changes for clients have been based on interview data coupled with analysis a synopsis of files kept by key-workers.

Since all clients were seen either in person or their files were reviewed a judgement was made that all 8 clients have made progress. This reflects an important fact about this service, that nobody has so far made an unplanned move from it

The total value of these changes has been estimated at £130,000 across five years for all eight clients. This represents 4% of the total value of the service.

Appendix A offers further details of how these changes were valued using a combination of stated and revealed preference methods and a travel cost method. The important thing to note is that valuing these changes is intended to reflect how important the change is to the stakeholder. Including this gives a more rounded picture of the change that is being created and may offer some insight to those running the service as to how to keep it working for clients. That the service also creates valuable changes for clients should be seen as reinforcing its importance since it might be possible to produce savings by dealing with this client group in ways that are less acceptable to them. Since this value is based on changes to the feelings and behaviour of the clients it may also indicate a likelihood of change being sustained.

I feel like I'm in a competition and it feels good..... I used to feel like a baby. *Client*

Change to consumption of crisis services

The quantities of consumption of crisis services was analysed by looking over the history of each of seven clients for whom a synopsis of their file was provided. From this an average consumption per year for the last few years was established, together with an assessment of how engrained each of these patterns was. The rates of consumption since becoming resident were also analysed and were not zero in all cases. In particular one client had reoffended whilst resident so this was taken into account.

A detailed assessment of the change in use of services was thus made and is shown in appendix C. Since details were available for only 7 out of 8 clients the change for the 8th has been assumed to be similar to the client that has the least impact on avoidable consumption of public services.

The value of these changes has been based on unit costs available from other studies. The total value of potential savings to the public purse is between £2.4 M over five years. This represents 66% of the value and is high, indicating a significant diversion from less cost effective services.

It is important to note that this is an approximation of the value of changes rather than a statement of cash savings, since it may not always be possible to divest a unit of production due to overheads, contracts or other demand. However, since the value is substantial in this case it is likely that real cashable cost savings can be made.

Other changes

The quantity of enhanced professional learning as a result of the panel meetings and coming into contact with others and with P3's practices has been estimated from interview data as affecting 5 of the panel organisations. The value of this change has been approximated by considering how much a public body might invest in keeping up to date on the latest professional issues, e.g. at a conference.

The quantity of change for drug and alcohol services has been estimated from a telephone interview and value from the hourly rate for a roughly equivalent professional, taken from the Unit Costs for Health and Social Care 2010.

The value of these changes is small in comparison with other categories.

Changes for unreachable stakeholders

Much of the change that this service creates is underpinned by a change in offending behaviour by clients. Avoiding offending has an impact on the victims of crime. It would appear that other studies recognise and systematically take account of this. In terms of the standardised approach to SROI this sits a little uncomfortably since we are not able to talk to the relevant stakeholder group to establish what changed- they have avoided being impacted. It would be theoretically possible to talk to historical victims of crime to establish what changed and how it can be measured and valued to establish the negative value avoided, however the resources necessary to do primary research in this area may be too large in comparison with the new information that it is likely to uncover about change. The change (of someone not being affected by crime who would otherwise have been has happened) is evidenced by the reduction/ cessation of offending by serial and prolific offenders resident at the service. How this affects victims, and how important it is to victims has been based on others' research in this instance.

The value is around £1M over five years or 29% of the total value.

Measuring change in future

Changes for new cohorts of clients

Changes for clients may be measured by tracking the indicators suggested in the impact map. If this is implemented then the same values for these outcomes could reasonably be used in future analysis. Objective data can be captured from client files but subjective perceptions are probably best elicited by someone independent. It may in any case be instructive to conduct further interviews, to continue to build an understanding of how this service creates change.

P3 are using an outcomes measurement approach developed with the Charities Evaluation Service in 2004, which gives some structure to the measurement of subjective outcomes. Importantly it captures progress with respect to important underpinning changes such as drug and alcohol use²⁷. Therefore this tool will capture useful data to support future SROI work and evidence change for commissioners and funders. However it is worth noting that its use alone will not differentiate which changes are particularly important to clients nor identify unintended changes.

Details of previous consumption of the services listed in this analysis (and any others) should be noted systematically and changes monitored once clients become resident and throughout their stay. This will need to be done in consultation with the members of the panel.

An annual survey of organisations referring to or involved in some way in the service should be established and this should cover changes to their working practice and capacity to deal with clients as well as what they've observed as changes to clients.

Changes for the existing cohort as clients move on

As can be seen from one of the scenarios in the sensitivity analysis, around half of the value achieved by the service relates to outcomes that are forecast to continue after clients have moved on from the service. As yet there is no evidence of duration of outcomes and it could be argued that the changes may not last at all. However, since there was evidence of internal change in the clients, it has been judged that some of the changes will last and will mean that clients can take advantage of life more fully once they have moved on.

The description of outcomes important to clients in the preceding section suggested how these changes may alter in the longer term. It would certainly be worth following up on this and since the numbers of clients are so low further face to face interviews may be feasible.

Potentially significant and valuable changes for the public sector as clients get close to move on, and then do move on, relate to longer term changes in support services and also to impact on general health service consumption as a result of reducing substance misuse. This should be monitored.

²⁷ This approach was documented in the Summer 2006 edition of P3's Newsletter The REPORTER

Summary of Social Return on Investment

The following table summarises the difference that Sandwell Complex Needs Service creates.

Stakeholder	Short term change	Value of Change over 5 years	Type of value
Clients	Increased resilience, Improved relationships, Re-building lives	£133,000	Stated and revealed preference
Drug and alcohol treatment services	More efficient to deal with these clients	£8,000	Unit cost
Local Authority/ Housing Association	Avoided evictions and rent arrears	£28,000	Unit cost
Local Authority Children's Services	Avoided foster care costs	£47,000	Unit cost
Local Authority	Avoided temporary accommodation costs	£393,000	Unit cost
Home Office/ MoJ/Courts	Avoided custodial sentencing costs	£722,000	Unit cost
MoJ/ NOMS	Avoided criminal justice costs	£458,000	Unit costs
Police	Avoided policing	£19,000	Unit costs
	Avoided prison costs	£267,000	
Mental Health Trust	Avoided hospitalisation	£403,000	Unit costs
Hospital Trust	Avoided emergency admissions	£18,000	Unit costs
Future victims	Avoided costs associated with being a victim of crime	£1,024,000	Various as per others' studies.
Panel	Changes to working practices	£4,000	Revealed preference
Total		£3,525,000	

Assuming an average stay in the accommodation of 15 months, the total value of inputs required to achieve this outcome is around £392,000.

Therefore the total Social Return on Investment is around 9:1

Sandwell Complex Needs Service therefore creates significant change for clients, public sector bodies, the public purse and potential victims of crime. The potential for real savings to the public purse is high in comparison to the investment made and is secured from the minute clients become resident since the service is cheaper than keeping clients in the alternative cycle of entrenched problems. However the financial case primarily relies on acute health and courts/ criminal justice systems. Government should recognise the important contribution that Sandwell Metropolitan Borough has made to addressing this problem on behalf of the public by commissioning this service.

However the point is that providing the right package of support to people is cheaper than providing the wrong package of support and that providing them with this final piece of glue²⁸ to get things to stick together makes the difference. All of the clients had been long term “users” of the police and criminal justice system of mental health services, drug treatment and social work. Whilst a minority may have made progress at some points in their life, the life stories of the majority show an endless cycle of problems. In short they were within the revolving door system that has been documented since at least 1992 and probably before.²⁹ Whilst we don’t know yet how many will have turned their lives around and become totally independent with P3’s support, few if any would have turned their lives around without it.

P3 should continue to monitor outcomes in terms of the client’s experience and their consumption of avoidable public service for the first cohort as they move on to more independent accommodation. Doing so will be important to establishing whether clients chronic cycle of exclusion can be broken in the longer term and therefore whether the extent to which this service fundamentally stops the cycle versus controlling it. It will also be important to establishing how great the savings to housing and social services budgets might be for the local authority.

Sensitivity analysis

Please see appendix H for further details of the account taken of the contribution of others (attribution), deadweight, displacement and drop off and a sensitivity analysis.

The base case was tested for sensitivity to assumptions. Three different types of adjustment changed the ratio to between 4.6 and 7.3 and it was very hard to construct a scenario where the ratio falls below 1. Therefore we can say the ratio is fairly robust. Nonetheless the reader should note that 29% of the value in the base case relates to avoided effects of being a victim of crime to potential future victims.

Those setting public policy and those commissioning services should be particularly interested to know that even assuming that the reduced use of public services does not last once clients move on³⁰, the potential saving to the public purse is still nearly 4 times the investment.

Stakeholder Feedback

P3 are planning an event in Sandwell in Summer 2011 to present the findings and get feedback from a range of stakeholders.

²⁸ Clients reported that they’d been assisted to access services where they had previously been excluded and agencies said that having in-depth understanding of a client’s situation had made them better able to deal with the client appropriately. This means the service tackles exclusion.

²⁹ “The term ‘revolving doors’ has been in use for some time, but was probably first applied to people with mental health problems in contact with the criminal justice system in the late ‘80s.” Mental health, multiple needs and the police: Findings from the Link Worker scheme. The Revolving doors Agency was set up in 1992.

³⁰ Also taking into account that that in fact means the short term cost on move-on is likely to be higher than it would have been without becoming resident

Appendix A- Establishing and Valuing Outcomes

Method for establishing outcomes and value - Change for clients

The time allocated to understanding change for service users was highest compared with other stakeholders because:

- The change for the service users might reasonably be expected to be the most complex change to understand.
- Outcomes for other stakeholders are driven to some extent by the outcomes for the service users themselves (in addition to those driven by the activities).
- It is a new model of delivery therefore it is important to understand what and how change is happening. .

Initial Interviews

Four of the residents at the Sandwell Complex Needs Service were interviewed for around half an hour each, there was no-one else present at these interviews. Two of them were subsequently interviewed (alone) again around 6 months later³¹. Interviews concentrated on the following questions.

- What has changed for you as a result of this service?
- What is important about this/ can you tell me more, does it lead to anything else?
- Has your behaviour/ what you do changed in any way? Do you feel differently?
- Has how you feel changed in any way? Do you do anything differently?
- What might you show someone who wanted proof of this change?
- Who else has contributed to this change?
- Has there been any change that isn't so good? What's important about this/ can you tell me more?
- Have there been any negative results?

These initial interviews were used to determine outcomes which are *relevant* to this stakeholder group. Subsequent to the interviews the data was analysed to attempt to identify common features and chains of events- *dependent relationships between the different outcomes*- that are mentioned by residents. The text below is a summary of what was said at interview, which supports the judgement about the outcomes that are material:

1. Safety and control leading to planning and saving more

- I used to get into trouble because of the people around me, now I'm learning to say no.
- As a result of the different environment, things are more stable now. That means I can start to rebuild my life and I've started to do more of the things I like to do.
- Things have slowed down. That means I can start to plan and I've started saving money to replace something that was stolen from me.
- I've started to address things in my life, can do things I like and plan more for the future.

³¹ There are 8 clients altogether, 2 of the other 4 not seen at either of these first interview sessions, were involved in group discussion explained on page 24. Therefore 6 clients in total have been involved. The remaining 2 clients did agree to participate in at least one of the various interview and group sessions but were subsequently not available owing to other last minute commitments or chaotic behavior.

- I didn't used to be able to control who was around me and all sorts of things happened involving the police, now I can get on with things.
- I've been saving money for moving out, I've bought some cutlery.
- I've been managing my own cash-card now for a few weeks.

2. Improved behaviour and attitude

- I feel listened to. I feel differently about myself and that means I'm prepared to work at things more.
- As a result of the trusting relationship I have with my support worker I have been made aware of problems I create which has made me change my attitude in positive way.
- (As a result of the support I've had) I can see that when I'm challenged it's for my own good. That means I'm gaining strength. I've cut down on smoking because I'm saving money for when I leave.
- This is a nice place, makes me think about what could be possible.
- I try to do more things now, the others are out all the time
- I didn't used to think there was a point in getting a job, now I'm going for my third job interview

3. Improved relationships

- I'm more positive and talkative and I've calmed down a bit. That means I communicate more with my friends. I've got better relationships.
- As a result of trusting support worker, I'm learning to make more effort, my relationships are improving.
- I feel better about myself so I can deal with others better.
- I'm still paranoid but now I can stop for a minute and not pick a fight.
- I didn't used to be able to go to the chemists but my support worker helped me find somewhere else to go and now its ok.
- I've got a different CPN and its better
- I've made a friend, he's a tutor at a class I've been going to, we like the same music

The following negative (from the service users' perspective) change also came up in interviews

4. Harder to spend time with people I care about

- It's less good that my family/ girlfriend can't stay here and that means I have to work harder at seeing them.
- As a result of the policy of no visitors³² it makes it harder for me to maintain relationships.

The outcomes identified from stakeholder interviews were then sense checked with staff responsible for the service who agreed they seemed to have covered everything.

³² This is not actually an accurate reflection of the policy, visitors are allowed but they have to be on the residents approved visitor list and they are not allowed to stay over.

Establishing the most important outcomes

In order to further test chains of events, establish how important the outcomes are and to attempt to value them a meeting was held with a group of clients. Three of four clients originally interviewed and two others attended this meeting. One support worker stayed during this meeting. Therefore feedback from six residents altogether has shaped the view of what is important and how it can be measured and valued.

At the meeting with five residents present, some cards were presented to them which captured short statements reflecting the sorts of things that had been said had changed during the interviews and aspects of being a resident that had been mentioned. The purpose of this was to sense-check the interpretation made of the interview data, improve the understanding of quantity of change (how many of the residents experience a particular change), improve understanding of which aspects of the service related to which outcomes and to improve understanding of importance and value of outcomes. In the following sections, the same broad outcome headings as have been used above have been extended to consider the relationship between the service, how it makes people feel and what happens as a result.

Being here slows things down

Client

1. Safety, control and planning

“I live in a safer place than I did before” was a statement which all five at the group meeting agreed with and two of the five also picked as in their top three statements in terms of importance.

This result should be seen in the context of where residents were previously living and the conditions in which they were living. Residents reported having lived in hostels, in prison, in a psychiatric unit, in a “crack house” and also “sofa-surfing” and this is backed up by staff reports. The consequences of living in their previous accommodation were that they were taken advantage of in one way or another through theft, violence or abuse and that they felt scared and confused. One resident in particular talked at length about previously being unable to control who else was around them and what those people did. That the Sandwell Complex Needs Service thus affords protection from such problems is important in terms of the outcome of avoiding being exploited and reduced personal danger. However it is not simply the avoidance of problems that matters, interview data suggests that this safety also contributes to feeling more in control, enjoying their life more, feeling more able to address things e.g. “being here slows things down” and being able to plan and to save money.

Feeling more in control, enjoyment of their life, planning for the future and saving were all statements that were offered to the five that participated in the group. Of these “I enjoy my life more” and “I’ve started saving money or I save more money” and were the most (4/5) agreed with. Two of the four who agreed that they were saving more than they had done in the past said this was in the top three most important statements.

2. Being encouraged and challenged leading to behaviour change

“I get more encouragement than I did before” was also universally agreed with. One of the five picked it in their top three statements in terms of importance.

Interview data backs up the significance of this statement, e.g.

“The staff are nice and they take care and listen to you. They understand your needs. I feel differently in myself and I’ve never felt like that, before felt like a number.”

A further aspect of the service was agreed with by four out of five of the group: “My behaviour and attitude is challenged more”

Whilst one of the five disagreed that their behaviour and attitude was challenged more by staff, four agreed and this aspect of these way the service is run had been strongly present in nearly all one to one interviews. For example

“I’ve been made aware of things. That means I’ve got to a place that I never thought I could get to. It’s positive..... I’m getting stuff back on track.”

These two aspects of being encouraged and challenged together lead to significant changes relating to attitude and behaviour. If these don’t ultimately lead to a measurable improvement in behaviour yet then at least the motivation to change is evidenced in interview.

3. Feeling more cared for and better about themselves leading to better relationships.

Most (4/5) stated that they felt better about themselves.

Everyone (5/5) also agreed that they felt more cared for and it is highly probable that this is a result of the encouragement that they recognise that they receive. An example of what was said at interview which supported to the judgement that this is an important outcome area and that the material point is improved relationships is:

“I’m more positive and talkative and I’ve calmed down a bit. That means I communicate more with my friends. I’ve got better relationships and I’ve lost the friends that were dependent.”

4. Finding it harder to maintain relationships with people they care about

Several (3/5) of the group agreed with the statement “it’s harder to spend time with people I care about”

SROI requires that negative and unintended outcomes be identified and explored. All stakeholders were asked whether there had been anything negative resulting from the service or anything that had surprised them. The visitor policy, which is in place to keep the site free of visitors who may exploit the clients or conduct illegal activities on the premises, and to limit risk to visitors, was cited as having a negative effect on a couple of the clients. In particular they were clients with families who were used to spending time overnight with children at their premises. The reasons for the policy are totally understandable and necessary; however there is a small negative impact on the clients.

A number of the clients also complained that they were not allowed in each others flats. It seems that whilst this annoys the residents it does not actually have a negative impact on them

Methods for valuing outcomes

The SROI principles include one which states “Value what matters using financial proxies” This means that the value of significant outcomes for all relevant stakeholders be estimated. The “Involve Stakeholders” principle requires that stakeholders be included in some way in this so that a judgement about how important (or valuable) an outcome is to them can be taken in an informed way.

Valuing outcomes for service users and other stakeholders may seem odd in the context of increased pressure on resources and of funding cuts. However some money will still be spent on public services, even if this is less than before, and so maximising the value achieved with this spend is still important. Whilst the argument to fund a service in the first place may not be won by considering the value to the service user, when seeking to understand what works identifying how the service impacts on service users and other stakeholder groups is key.

An initial assessment of the value to service users of the outcomes that they identified as important has been made by asking them to value the outcomes directly. Clearly these clients have little disposable income so a scenario was put to them where they had an unexpected windfall (£30 a week, although one of the clients found it difficult to imagine having any more than £10 a week additional so this figure was used for them). They were told they could keep any amount of the additional money to spend or save as they chose and asked to value their three most important outcomes by deciding how much of the windfall to allocate to each in order to keep it going. If they did not allocate anything to it they were told that *in this scenario* P3 would find it difficult to support them to achieve that outcome.

All the important outcomes that had been chosen by the clients doing the valuation exercise appear somewhere in the chain of events for the three outcomes identified by the researcher.

Both their understanding of the task and the results were checked on an individual basis and it seems that 4/5 made a serious attempt to value the outcomes. The fifth person did appear to understand the task but signs of a short attention span were becoming evident by this point and he left the room. Of the four who attempted the valuation one allocated the whole of his additional funds equally to keeping his top three outcomes and three kept half the money for themselves and allocated the other half equally to achieving their three outcomes. Whilst the one who allocate all his imaginary additional income to achieving the outcomes seemed very genuine, the others perhaps represent a more realistic average picture.

Since the residents don't actually have significant disposable income, these amounts have then been scaled up to reflect what they would be if they had an average amount of disposable income. That is to take account of the fact they start with lower income. The result of this is that two of the three outcomes has been valued by taking one sixth of the average disposable income available to UK residents.³³ The third one has been valued by considering the amount of savings that they would realistically be able to make.

³³ <http://www.telegraph.co.uk/finance/personalfinance/consumertips/household-bills/6981280/Families-will-have-1000-less-disposable-income-by-2013.html> refers to National Statistics data that suggests average household disposable income is £13,160.

Method for establishing outcomes- Change for Public Sector Stakeholders

Social Return on Investment analysis always starts with the same basic question for all stakeholders “what changes”. That is, no assumptions are made about what is material to a stakeholder before the analysis starts.

The researcher attended a panel meeting and interviewed them about what changes as a result of the SCNS. Further telephone interviews and a face to face session with two of the stakeholder organisations were conducted at a later date. Stakeholders’ views included:

Impact on public bodies or agencies:

- “Mental health providers have tried to have multiagency meetings without success but P3 are so proactive that this works. I’m here today because I was called and reminded how important it is that I attend”.
- Organisations mentioned previous (stalled) attempts to have multidisciplinary teams or other successful attempts to work multi-disciplinarily.
- “The amount of meetings that it is necessary to have has been a shock”.
- “The service has a very positive relationship with the police. If individuals are here we know that they’re safe and we’re happy to help them. We have a better awareness of problems- and can keep to eye on them. Hopefully we can learn from the approach to supporting clients to stay on track here and use it in other community settings.”
- “Having the tier above- which is the (multi agency) steering group, has been useful. When we’ve had difficulties we were able to wield a big stick over a worker- who didn’t stop temporary bad behaviour and that helped to address it. “
- “Probation performance-measures identify stable accommodation as a key factor in rehabilitation.”
- Agencies also noted that comparing case notes was particularly useful.
- An interesting aspect of change for organisations was their attitude to risk. Two agencies spoke of revisiting the way they deal with the risk inherent in working effectively with this client group and cited examples of how P3 would engage more quickly and holistically.

Theory of how service may/should impact on clients:

- “P3 have been active in taking on the risk, clients that other providers wouldn’t accept are accepted here.”
- “What we found with this place is that there are fewer boundaries- any one that’s referred is considered.”
- “If they weren’t here they would be sofa surfing because they’ve been excluded from other services.”
- “We try to think together about how to get people engaged”
- “The quality of the accommodation is a carrot.”
- “Move on may be an issue.” It was flagged up by several of the organisations that the standard of accommodation that people would move onto was considerably lower than the standard of accommodation at SCNS.
- “The intensity and breadth of the support means there are fewer cracks to fall through.”

- “Offending behaviour doesn’t necessarily stop but it does reduce. Perhaps the nature of the crime has also changed”. This may be worth further investigation.
- “We’re facing even more severe financial pressures and the way that we’ve looked at it strategically will continue- meeting the highest needs. But that makes the move on even more critical which makes the journey to complete independence critical, since there is a reduction in capacity at the low end across the piece.”

In considering material change, good practice guidance³⁴ suggests that views of your stakeholders, societal norms, what your peers are doing, financial considerations, and organisational policies and objectives should all be used as criteria for judging materiality. One relevant source that was identified in connection with identifying material change is the Supporting People Financial Benefits model³⁵. It suggests that the following public sector costs may be influenced as a result of better support to this client group (assumed to be offenders) reducing incidences of occurrence:

- Being admitted to hospital
- Visiting an A&E department
- Being admitted to a mental health ward
- Reoffending

Several of the agencies demonstrated over-riding concern for the client but this made it difficult to isolate the changes to their own organisation. For example if a housing association has evicted a client who is helped by P3, they may reapply to the housing association for accommodation. On the face of it this is a negative change from the point of view of the housing association since they are asked to re-house a client who may appear a higher risk than other clients. Different departments in the housing association are likely to react to this situation differently. Overall one could say that, if the client is re-housed successfully, the outcome for the housing association is positive.

Therefore change in use of services was established by analysis of clients’ histories and the comments given by stakeholders reinforce that these changes are relevant and important.

Valuing changes for public sector and other stakeholders

The following table shows the sources of valuations used for changes to public sector stakeholders.

Stakeholder	Short term change	Value per unit of outcome	Type of value	Source(s)
Drug and alcohol treatment services	More efficient to deal with clients	£28	Unit cost, per hour	PSSRU <i>Unit costs of Health and Social Care 2010</i> , p86
Local Authority/ Housing Association	Avoided evictions and rent arrears	£1,500	Average actual cost	Actual arrears reported in client files/ Citizens Advice Bureau quote average of

³⁴ A guide to SROI, Nicholls et al, Cabinet Office 2009

³⁵ <http://www.communities.gov.uk/publications/housing/financialbenefitsguide?view=Standard>

				£1,072.32 in 2008 ³⁶
Local Authority Children's Services	Avoided foster care costs	£36,192	Unit cost, per year	PSSRU Unit costs of Health and Social Care 2010, Aiming High for Families, HMT 2007
Local Authority	Avoided temporary accommodation costs (Hostel)	£30,239	Unit cost, per year	Oxford Economics <i>Explanation of the SROI calculation for Crisis Skylight Education, training and employment centres for Homeless People</i> ³⁷
Moj	Avoided custodial sentencing costs	£30,500	Unit cost per custodial sentence	St Giles Trust's <i>Through the Gates</i> , Frontier Economics, 2009
Home Office/ Police	Avoided criminal justice costs	£16,120	Unit cost	St Giles Trust's <i>Through the Gates</i> , Frontier Economics, 2009
Police	Avoided policing for more minor offences	£1,275	Unit cost per arrest	Average of JRF arrest cost (for possession of cannabis) and NAO cost per ASBO ³⁸
Moj	Avoided prison costs	£35,877	Unit cost per prison place per year	Measuring the Output of the Prison Service, ONS, 2009
Mental Health Trust	Avoided hospitalisation	£74,256	Unit cost of long stay psychiatric hospital bed, per annum	PSSRU <i>Unit costs of Health and Social Care 2010</i>
Hospital Trust	Avoided emergency admissions	£1,540	Unit cost of hospital admission through A&E ³⁹	PSSRU <i>Unit costs of Health and Social Care 2010</i>
Future victims	Avoided costs associated with being a victim of crime	£36,000	Various as per others' studies.	St Giles Trust's <i>Through the Gates</i> Frontier Economics, 2009, based on Social Exclusion report 2002
Panel	Changes to working practices	£399	Revealed preference- fee for attending conference	Various websites were consulted to gain a benchmark of a fee for attending a public sector conference, e.g. http://www.capitaconferences.co.uk/

Notes

³⁶ CAB Evidence *Unfinished Business* May 2008 www.citizensadvice.org.uk/pdf_unfinished_business.pdf

³⁷ Based on St Mungo's (Undated), 'Moving on from homelessness - getting a job'.

³⁸ JRF give cost of possession of cannabis as £500 in *Times They are a Changing* <http://www.irf.org.uk/sites/files/irf/1859353878.pdf> NAO give the cost per ASBO as £3100 in http://www.nao.org.uk/publications/0607/tackling_anti-social_behaviour.aspx

³⁹ Assumes paramedic attends, a&e leading to 2 day admission and 1 outpatient follow up

PSSRU is intending to publish a report for the criminal justice system, similar to their annual unit costs of health and social care. This was due for publication last July⁴⁰, when published it may challenge the figures that others tend to rely on from the 2002 Social Exclusion Taskforce report⁴¹.

The figure for court costs associated with the crown court of £30,500⁴² is based on National Audit Office figures from 2002.⁴³ It is not known how many of the convictions of the client group would have been heard at Crown Court rather than at Magistrates Court. Magistrates Court is generally thought to be cheaper per conviction than Crown Court, owing largely to Magistrates being unpaid lay individuals, however counter to this Morgan and Russell (2002) are widely cited for their analysis for the Home Office which concludes that when Green Book guidance is followed in calculations, Magistrates court convictions are only around 12% cheaper⁴⁴.

⁴⁰ This was to be published by the PSSRU, see <http://www.iop.kcl.ac.uk/projects/?id=10272>

⁴¹ For example the ACE pilot evaluation by Matrix Insight due for publication.

⁴² CPI tables at http://www.statistics.gov.uk/downloads/theme_economy/CPI.pdf have been used to establish inflation.

⁴³ Reducing Prisoner Reoffending, REPORT BY THE COMPTROLLER AND AUDITOR GENERAL
HC 548 Session 2001-2002: 31 January 2002

⁴⁴ <http://webarchive.nationalarchives.gov.uk/20110220105210/rds.homeoffice.gov.uk/rds/pdfs/occ-judiciary.pdf>

Appendix H- Counterfactual assumptions and sensitivity analysis

Deadweight

These clients all have long histories of not having their issues dealt with. They lack the capacity to deal with their issues themselves and they lack the social network necessary for a relative or friend to help them. Whilst it is conceivable that another service would have at some point established a sufficient relationship to create the same change, this appears unlikely. Therefore an assumption of 0% deadweight has been applied. Each outcome was considered in turn but there were only two that appeared likely to have occurred to any extent without this intervention:

- Clients finding it harder to see family. Whilst location and restrictions on visiting were clearly important to clients, most of them would have faced similar or worse restrictions in alternative accommodation. Therefore 50% of this outcome is deemed to have been likely to occur in any case.
- Avoided rent arrears and evictions. A high deadweight of 50% was applied to these two outcomes because Sandwell Homes has a team in place to support vulnerable clients and are therefore likely to prevent some of the evictions.

Attribution

There are very many other agencies working with each of these clients. Therefore a part of most of the outcomes may be attributed to the efforts of others. The percentages and rationale are as follows:

For clients

- Increased resilience to avoid harm to self and others- 20% down to drug and alcohol treatment services and community mental health team. This might have been higher but these services had already been working with most of the clients since before they became resident so it is considered that they contributed to rather than drove the change.
- Rebuilding life- other organisations have been supporting with job seeking, job placement and training. P3 brokered clients to these services, supported them to attend initially and encouraged them to keep going. . Therefore it is judged that the majority of the outcome is down to P3 and 20% was estimated as down to others.
- Improved relationships- again other organisations will have been assisting clients and encouraging clients to build relationships with agencies, family and friends. However it is not thought to be a particular focus of the approach of other agencies and therefore a low attribution of 10% has been included.

For agencies/ victims

- Part of the avoidance of hospital admission (20%) has been attributed to the input of the Community Mental Health Team/ Assertive Outreach Team employed by the Mental Health Trust. This is based on the amount of contact time these teams have with the clients in comparison with the amount of time SNCS has.

- A small part of the avoidance of the costs of policing more serious offences (20%) have been attributed to the police who co-operate closely with SCNS.
- The same rationale has been applied to the attribution of 20% of avoided costs to victims to partners of SCNS, especially the police.

Displacement

After consideration it was judged that none of the outcomes would have displaced the activities of others.

Duration and Drop-off

Outcomes may be sustained after the intervention has been removed, i.e. in this case after clients move on. To model this the duration of each outcome is estimated, however it is also recognised that the level of outcome may drop-off over time.

The impact map reflects outcomes in years 1 and 2 that related to clients being resident at SCNS or having just moved on. Any values entered in years 3 to 5 represent sustained outcomes. It would be possible to model the value of the outcomes for longer than 3 years after the end of the intervention; however the lasting impact of the intervention was felt to be too uncertain at present. The client's positive outcomes are all modelled as lasting for the 3 years beyond the intervention, however it is anticipated that their tendency to plan and save more will drop off faster (25% per year) than their improved relationships or reduction in tendency to harm (10% per year). This is because clients are cosseted to some extent in their current environment and are likely to find saving harder when living more independently. On the other a fundamental shift in self esteem may be reinforced by improved relationships and the two may be mutually reinforcing, keeping both outcomes going longer.

The outcome of a child not remaining in foster care is included since one client is making a serious attempt to gain custody in the longer term. The outcome has been modelled as occurring at the point the parent leaves SCNS, and valued at 50% of the unit cost, i.e. assuming the parent has a 50% chance of being judged to be fit. Of course the child's safety must come first.

Drop off for emergency admissions to hospital has been set relatively high, at 30% reflecting that it was not clear that clients would be able to eliminate drug use and the level of chronic mental health issues.

Drop of for minor crime and housing related outcomes has been set to 10% reflecting that the clients will remain very well known to agencies when moving on and are unlikely to be allowed to get into significant housing difficulty/ face significant deterrent to crime (risk of being caught).

The reduced rate of more serious offences has been modelled as dropping of at 15% and this has therefore also been used as the drop-off rate for the avoided costs to victims.

Sensitivity analysis

In line with guidance on conducting SROI analysis, the following assumptions have been tested.

1. Estimates of deadweight, duration and drop-off

The most significant assumption in this piece of work is that the changes last past move-on of the clients. Appendix C shows this case, where the **ratio has dropped to 4.6**

In terms of savings to the public purse, technically in the worst case scenario the case should be worse. This is because the base case estimates that a few of the clients would face longer prison sentences or longer stays in more secure psychiatric units if their behaviour was left unchecked, which actually costs less than the cycle of shorter stays that they are currently entrenched within. In the event of an unsuccessful transition out of the service their consumption of public services post move on would be back to the higher level than the cheaper level used in the base case. This scenario is shown at the bottom of appendix C which deals with savings based on the individual case.

2. Changes to quantity of outcome

The quantities of outcome were varied until the point that the ratio dropped as far as 1. Whilst not all the value relates to savings to the public purse this can be thought of as roughly the point there is a positive return and doing so complies with SROI guidance. The quantities are so low as to be incredible.

However a significant percentage of the value relates to value to potential victims of crime and, owing to the difficulties of consulting this group has been modelled based on some assumptions. Therefore a scenario where this value does not occur has been tested by setting the quantity of this outcome to zero. In this scenario the **ratio drops to 6.4**.

3. Changes to value of inputs

SROI Guidance suggests varying value of inputs where non-financial inputs have been included. Whilst there are non-financial inputs in this case these are relatively insignificant and it is hard to see an argument of increasing their value. The more significant factor is likely to be the amount of resource required per client in order to achieve the outcomes mapped, quantified and valued. That is the base case assumes that clients will be ready and able to make a successful move on to more independent accommodation within a 15 month period. An alternative scenario of 24 months has been provided at appendix E and the **ratio in this case falls to 5.6**.

4. Changes to financial proxies

The least certain of values of financial proxies are

- The value to clients of building resilience in causing less harm to self and others. Another way of valuing this would be to suggest it is equivalent in importance to a course of residential drug and alcohol rehab that might be paid for privately by someone with the means to do so. It is hard to find data about the prices for such treatment however one website⁴⁵ appears to have a fairly comprehensive listing that suggests that £5000 might be a reasonable/ low figure and using this value more than doubles the value to the client.
- The value to the local authority of a unit of hostel accommodation has been estimated using a figure from Oxford economics who did a cost benefit analysis for Crisis. They took a figure from St Mungo's for running a stage 1 hostel from 2005 and increased it in line with inflation

⁴⁵ <http://www.lawcare.org.uk/treatmentcentres.htm>

to give a unit cost of just over £30,000. Other sources would tend to estimate the cost of running a hostel per person year at closer to £20,000.

- Lastly the value to the Home Office of prosecutions leading to sentencing- these have been calculated on the basis of being Crown Court appearances but may not all be so. Whilst there is reasonable evidence that Magistrate Court costs aren't in fact much lower than Crown Courts, for the sake of argument a new figure of £5000 has been used for the last piece of this sensitivity analysis.

Making these changes reduces the ratio to 7.3

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