



# **Social Return on Investment Report**

## **The YSS Pathways Accommodation Mentoring (PAM) Service**

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## 1. Executive Summary

This report presents a study of the social return on investment (SROI) created by the YSS Pathways Accommodation Mentoring (PAM) service.

The primary objective of the study is to review and evaluate the economic, social and environmental impact of the PAM service during a one-year period of operation (April 2012 – March 2013).

The study has been conducted by Planning for Real using staff trained as SROI practitioners and experienced in the field of social housing provision, working with offenders and employment and training support. It is focused on the findings from 11 in-depth interviews with offenders who are service users of PAM, 4 key workers and 6 volunteers and cross-referenced with other research reports and data gathered by YSS on 122 clients.

Key findings to emerge from the study to date reveal that the SROI for the current service based on actual costs and outcomes for the period April 2012 to March 2013 is **£16.87** for every £1 of investment.

As with any SROI study a number of assumptions have to be made. To be acknowledged by the SROI Network as a valid SROI study, these assumptions have to be defensible. In this respect, we have used:

- NEF accredited reports as the source for deadweight, displacement and drop-off figures,
- DWP and MOJ figures for costs relating to state benefits and criminal costs,
- Information from the interviews for attribution rates and for figures relating to confidence, health & well-being, employability, relationships and offending.

Key themes to emerge from the research are:

- The one-to-one support offered by the mentors has been critical to improving the confidence and self-esteem of its clients.
- The flexibility on offer in terms of meeting clients at convenient venues and times has made a significant contribution in keeping disengagement rates below 50%
- Dealing with the full range of issues facing clients is a vital aspect of the service.
- The user-friendly approach of key workers was vital in building trust

The input (costs of running the centre - £72,000) and outputs (number of users -122) have been provided by the data collected by YSS. On the basis of this data and the findings from the research, the following has emerged: That for the period 1<sup>st</sup> April 2012 – 31<sup>st</sup> March 2013

- 19 clients have secured permanent accommodation, attributing 81% of this outcome to the project.
- A further 59 clients are an estimate 25% of the way to securing permanent accommodation, attributing 81% of this outcome to the project.
- 41 clients have improved health, attributing 45% of this outcome to the project.
- 3 clients have secured employment, attributing 18% of this outcome to the project.
- 55 clients have not offended, attributing 45% of this outcome to the project.
- A further 5 clients have not gone to prison, attributing 45% of this outcome to the project.
- 48 clients no longer need debt counselling, attributing 54% of this outcome to the project
- Confidence across the whole client group has risen by an average of 63% as a result of the project.

## 2. Introduction

This report presents an evaluative view of the social return on investment created by the YSS PAM service. It is a snapshot of the services activity taken from a 12 month period 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013. The study was undertaken by Dr. Bob Bates. Bob is an associate of Planning for Real (PfR). PfR are a well-established community engagement agency that has an international reputation for developing pragmatic solutions to socially based issues.

Bob Bates has a PhD in Health Sector Management, Masters Degrees in Public Sector Management and Education and 40 years experience of issues related to social housing, tackling re-offending, employment, education and training. He has completed the SROI practitioner training from NEF (The New Economics Foundation) and has now undertaken 7 SROI studies. This multi-disciplinary and sensitised approach has enabled the effective application of the SROI framework for understanding and managing the value of the social, economic and environmental outcomes created by PAM.

In this report we will:

- Provide some general background and context to SROI and its benefits in terms of measuring and evaluating the impact of services and projects.
- Explain why we selected SROI over other tools for measuring social impact and describe its practical application in terms of fulfilling the six prescribed processes.
- Analyse the context in which the project supports offenders with accommodation issues, notably in respect of the holistic approach to working with offenders advocated by the National Offender Management Service (NOMS) and the potential impact of the 2012 Welfare Reform Act.
- Provide a detailed evaluation of the experiences of a number of beneficiaries of PAM including findings and recommendations to help inform its future design and delivery so we are able to maximise the service's impact to achieve the highest level of return on investment.

### 3. Background & Context

The Public Services (Social Value) Act 2012 requires, for the first time, all public commissioning bodies in England and Wales to consider how the services they commission and procure might impact on the wider economic, social and environmental well-being. The Act has the potential to significantly impact on the wellbeing of communities for whose benefit services are procured.

Understanding and managing this broader measure of value is becoming increasingly important for public sector bodies. Although we use terminology such as *impact*, *benefit* and *value*, the question of what difference we are making to people's lives and the communities where they live and work still remains at the heart of much of what the public sector is about. How we measure what we do continues to be a major discussion point in determining the effectiveness of programme delivery.

There is little doubt that outputs and unit costs are factors that funding bodies use to measure success. It would be futile here to argue that these measures should be eradicated. The vast majority of funders will always consider a project costing £10,000 and producing 100 outputs to be better value than a project costing twice that amount and producing half the number of outputs. What the rhetoric around the Social Value Act suggests is that there are additional factors, such as the value of the output and the wider effect that the output has on social or environmental factors that need to be factored into the equation.

The implications are that it is important that we have some consistency and a shared language when we talk about value. SROI is the application of a set of principles that is designed to help bring about that consistency and to develop a common understanding of the meaning of terms such as outputs, outcomes, impact and journey travelled. It is important however when developing this common understanding that we appreciate that what is value will vary for different people in different cultures and different contexts.

#### 3.1 What is Social Return on Investment (SROI)?

SROI is a framework for measuring and accounting for a much broader concept of value that goes beyond output returns and unit costing. It was developed by a consortium of organisations (The New Economics Foundation (NEF), The Charities Evaluation Services, The National Council for Voluntary Organisations (NCVO) and New Philanthropy Capital) and funded through the Office of the Third Sector using a number of the principles inherent in social accounting and cost-benefit analysis. These principles include:

- Stakeholder involvement
- Outcome measures
- Valuing what really matters
- Realistic claims
- Transparency
- Validity and reliability

SROI measures change brought about by interventions in ways that are relevant to the individuals or organisations that have experienced that intervention. It tells the story of how change is being created by measuring the social, environment and economic impacts of that change. It uses monetary values to represent the extent of change. For example if the intervention has cost £10,000 but the monetary value in terms of the wider social, environmental and economic benefits total £50,000, the SROI is said to have a 5:1 ratio of benefits to cost. The use of monetary values as a means of calculating SROIs however is not without its critics. Although the basic principle of needing to measure 'apples with apples' is obvious, there are many that argue that putting a monetary value (proxies) on some of the soft outcomes (increased confidence and self-esteem etc) involves an element of guesswork that could be open to misuse. Supporters of SROI would argue that adherence to the principles listed above will address this criticism.

### 3.2 The SROI Framework

There are a number of established, and some less well known, approaches to understanding and measuring social impact. There are also a number of related methods or tools which can help an organisation get a better understanding of the outcomes it generates; or support commissioners or those engaged with service design or delivery to understand better how to achieve certain outcomes from a given service. We chose the SROI approach above tools such as the Social Impact Measure for Local Economies (SIMLE), the Social Accounting & Audit (SAA) and the Social Impact Measurement Index (SIMI) because:

- it was endorsed by both the Cabinet Office and Office for the Third Sector;
- it had wider national and international recognition and;
- NEF offered a much better practitioner training and support service than what was being offered elsewhere.

An SROI analysis can take different forms. It can encompass the social value generated by an entire organisation, or focus on just one specific aspect of the organisation's work. It can also be used *evaluatively* - conducted retrospectively and based on actual outcomes that have already taken place or as a *forecasting* tool - predicting how much social value will be created if the activities meet their intended outcomes.

Carrying out a SROI analysis involves the following six stages:

1. **Establishing scope and identifying key stakeholders:** It is important to have clear boundaries about what your SROI analysis will cover, who will be involved in the process and how.
2. **Mapping outcomes:** Through engaging with your stakeholders you will develop an impact map, or theory of change, which shows the relationship between inputs, outputs and outcomes.
3. **Evidencing outcomes and giving them a value:** This stage involves finding data to show whether outcomes have happened and then valuing them.
4. **Establishing impact:** Having collected evidence on outcomes and monetised them, those aspects of change that would have happened anyway or are a result of other factors are eliminated from consideration.
5. **Calculating the SROI:** This stage involves adding up all the benefits, subtracting any negatives and comparing the result to the investment. This is also where the sensitivity of results can be tested.
6. **Reporting, using and embedding:** Easily forgotten, this vital last step involves sharing findings with stakeholders and responding to them, embedding good outcomes processes and verification of the report.

Although the process is still in its early stages, an SROI Network of Practitioners has been set up with over 20 participating countries and NEF has already been commissioned to undertake SROI studies globally. NEF were integral to the development of the SROI methodology, and have conducted more analyses than any other organisation, using the most sophisticated economic modeling techniques. Some work still needs to be done in terms of process design (although a standard framework has now been developed) and the use of monetary values relating to things that are difficult to value and have tended to be left out of traditional economic appraisal (e.g. increase in self confidence, increase in quality of life). As more and more SROI studies are undertaken and a 'ready reckoner' for acceptable proxies becomes widely available, there is little doubt that SROI will become a major measure both as an evaluative and as a forecasting tool.

### 3.3 Research Limitations

SROI is still a fairly new framework. It measures and accounts for a much broader concept of value, through measuring change in ways that are relevant to the people or organisations that experience or contribute to it. It is about value rather than money. There are however limitations with the methodology, many of which are being addressed by the SROI Network and will be overcome as SROI becomes more widely used with a more established evidence base.

The framework and guidance provided by the SROI Network aim for rigour but there remains a degree of space for personal judgement. Adopting a team approach has reduced this risk as every decision and assumption made has been challenged and agreed by a number of individuals all of whom have undertaken intensive SROI training.

One of the main perceived limitations of SROI, as with other types of evaluation is that it is difficult to compare results between organisations. This is in light of the space for personal judgement which could make it possible to inflate or deflate the value created. There are auditing tools and procedures which help to standardise the way SROI ratios are calculated but to a certain degree the process of producing an SROI ratio is specific to every organisation. Therefore it is vital that the overall SROI ratio should not be viewed in isolation. The analysis that accompanies the SROI ratio is crucial as it ensures transparency and makes it possible to see some of the choices that have been made, about what to measure and how to value an impact. SROI should not be viewed as being all about the final financial ratio. This attracts scepticism and criticism and means many of its benefits are overlooked. SROI is a process of understanding and valuing impact and should be used by organisations to understand where their impact is greatest and how they could improve what they do.

Attributing monetary values to outcomes has been perceived by some to be problematic. How, for example, do you accurately measure improvements in confidence, quality of life, or feelings? SROI seeks to value both the benefit to the wider economy and the individual. While we may be able to calculate, for example, the average value to the state of individuals moving into employment, valuing personal benefit in monetary terms may be more complex. The SROI Network are addressing these limitations through building up a database of acceptable and acknowledged values, outcomes and indicators which have been used in assured SROI analyses. Careful research, referring to existing and accepted evidence bases and adhering to the SROI principles is vital in order to conduct a robust, credible and true analysis.

## 4. The Study

### 4.1 Background to YSS and the PAM Service

YSS is an independent, voluntary organisation set up as a multi-agency project in 1986. It was established as a Charity and Company Limited by Guarantee in 2000. Its overarching aim is to support young people, adults and families who are at risk of social exclusion through delivering a range of support services that allow individuals to “develop, reach their potential and lead positive lives within society”.

YSS currently delivers a number of projects from offices across the West Midlands. Their Head Office is in Worcestershire which is where a significant proportion of their work is delivered. They provide support to approximately 2000 people per year. They employ 50 permanent staff, 20 casual staff and have 200 trained volunteers. Approximately three-quarters of their funding is through statutory contracts awarded through local, regional, national and European funded streams. The remaining funding is through donations from individual, group and charitable sources.

Partnerships are the hallmark of YSS work recognising that YSS does not offer a single solution and that to be truly effective we need to develop and work in partnership with: individuals; local communities; voluntary agencies; statutory agencies and with our funders. YSS has a unique strategic partnership with West Mercia Probation Trust that aims to stimulate the development of a wide network of private, voluntary and public sector organisations working to reduce re-offending.

In 2011, YSS was awarded a 3 year contract by Supporting People “to provide support to enable/strengthen the opportunities for offenders Worcestershire to live more independently – gaining access to appropriate housing related advice, information and support, enabling a wealth of positive outcomes avoiding the need for further intervention and tackling some of the county priorities in terms of community safety”. Offenders were identified and referred directly by Probation Offender Managers. Mentoring support was usually delivered on an outreach basis and was made flexible to meet the needs of service users including evening and weekend work as required. Delivery was outcome focussed and provided motivational mentoring, pro-social modelling, personal development strategies, signposting, information, advice and guidance services specifically around the accommodation pathway but also working across the other six pathways (health, substance misuse, education training and employment, finance and debt, children and families, attitude thinking and behaviour) as defined by the National Probation Service "Reducing Re-offending - A National Action Plan".

PAM Support Workers are responsible for identifying their client's needs and putting a package of support measures together that would address issues and barriers with the ultimate aim of re-engaging the client back into society through suitable housing provision, better healthcare, education, training and employment.

Delivering the service in a flexible, bespoke and user-friendly manner is the cornerstone of YSS's work. Support Workers meet their clients in whatever environment the client feels the most comfortable, including their own homes, and at times to suit. This is delivered through a mix of paid workers (2 x part time support workers and 1 FTE volunteer co-ordinator) and a team of volunteers. The management and support of volunteers is a key aspect of the work of YSS and the diversity they add is important in reflecting the communities YSS are working in and challenging the organisation's thinking.

Referrals to PAM are mostly via the West Mercia Probation Trust Offender Managers. They are clients of the Trust who predominantly have accommodation issues but are likely to have other complex issues as well. Each client then participates in an initial assessment interview to consider areas of need, in line with the National Offender Management Service (NOMS) pathways. On the basis of this an action plan is agreed with the client. There is no restriction placed on the number of appointments available to clients although an average of 2 hours per week appears to be the norm .

## 4.2 The Research Phase

Prior to commencing the study, desk-based research was undertaken into recent studies relating to the rehabilitation of offenders. Alongside the various Ministry Of Justice (MoJ) reports, the Policy Exchange report on *Transforming offender management, reducing reoffending*, the Third Sector Research Centre's report on *The role of the third sector in working with offenders*, Halford *et als* report on *The Offender, the Housing Association and their Relationship with Welfare Reform*, Bates's report on *the Role of Social Housing Providers in Reducing Criminal Recidivism* and Gojkovic, Mills and Meek's report on *Accommodation for ex-offenders: Third sector housing advice and provision* were influential in sensitising the researcher to the issue of offender rehabilitation through appropriate housing provision.

When identifying the service areas to review and evaluate we considered both the external policy arena and internal work taking place to address priority government agendas. Important in this respect were the policies and statistics produced by the National Offender Management Service (NOMS), the Department for Work & Pensions (DWP), the Ministry of Justice (MOJ) and the Department of Health (DOH).

We acknowledge that our study is limited in terms of the scope and scale of other research projects. It is however, as far as we are aware, the first study that attempts to calculate cost ratio in terms of the amount of social return against the cost of the delivery of a service to breakdown real or perceived barriers to accommodation, healthcare, employment and training for those individuals at risk of re-offending or currently on a probation order or license. From that point onwards we set out the study's primary objective to review and evaluate the economic, social and environmental impact of the PAM service with the intent of producing a report that can demonstrate the potential return on investment of funding projects that addresses the issues and barriers facing offenders with accommodation issues

The study was focused on the results of interviews conducted with 11 PAM service users, 4 members of staff and 6 volunteer mentors. There was two phases to the client interviews. The first covered the characteristics and experiences of the interviewee. The second covered the level of support received from PAM. All interviews were conducted at the YSS offices in Worcester. The interviews were conducted over a period of 3 days. Each interview lasted between 20-40 minutes.

Findings from the study were then triangulated with data from YSS. The data was then transferred onto the Impact Map and outcomes converted into financial values using accredited proxies obtained from verified sources. As we didn't want the report to just reflect financial returns, we have highlighted a number of case studies that reflect the work of PAM.

The characteristics of those clients interviewed are:

- Ten of the clients interviewed were male.
- Four clients were under the age of 25, four were in the 25-40 age range and three were over the age of 40.
- Five clients had committed minor offences resulting in Community Orders, probation or sentences under 3 months. Three had committed offences resulting in custodial sentences of more than 3 months but less than a year. Two were prolific offenders with considerable prison records
- Only two clients were living independently of supported housing provision (supported social housing or approved premises).
- Six clients reported health issues that would have an impact on their rehabilitation (four reported anxiety or clinical depression and two reported alcohol or drug addiction)
- Two clients had a trade or profession before being arrested and only two other clients had stable employment records prior to offending.

This research confirms the findings of a number of reports that offenders are at risk of “falling between the cracks of society”. It further endorses the view that support should be given to those most at risk of becoming offenders. We will now explore the extent of this risk.

#### **4.3 The Effects and Cost of Re-Offending**

Between January and December 2010, around 650,000 offenders were cautioned, convicted (excluding immediate custodial sentences) or released from custody. Around 170,000 of these offenders committed a proven re-offence within a year. This gives a one year proven re-offending rate of 26.7 per cent, which represents a rise of 0.4 percentage points compared to the previous 12 months.

Looking at specific groups:

- The proven re-offending rate for those released from custody was 47.5 per cent, a rise of 0.7 percentage points compared to the previous 12 months. The average number of re-offences committed per re-offender for this group was 4.16, an increase of 3.4 per cent compared to the previous 12 months.
- The proven re-offending rate for those starting a court order (Community Order or Suspended Sentence Order) was 34.1 per cent, down 0.3 percentage points compared to the previous 12 months. The average number of re-offences per re-offender was 3.18, up 3.2 per cent compared to the previous 12 months.
- The proven re-offending rate for drug-misusing offenders (all offenders who are given drug orders as part of their sentence or test positive for opiates upon arrest) was 58.0 per cent, up 3.2 percentage points compared to the previous 12 months

Re-offending blights lives and communities, and is costly to society. The National Audit Office has assessed the cost of re-offending by prisoners as between £9.5 and £13 billion a year. While punishment will always be a primary aim of the criminal justice system, the Government is determined to do more to turn offenders away from crime and into work, improving their skills, and addressing barriers that prevent them from leading productive lives. Helping offenders to have stable lives and learn skills so that they can find and keep jobs on release or whilst serving a community sentence makes sense. It means they become assets rather than burdens to society. Evidence shows that the effective rehabilitation of offenders produce a net benefit to the public sector ranging from £2,000 to £28,000 per offender (or from £10,500 to £97,000 per offender when victim costs are included).

#### **4.4 The NOMS Reducing Re-Offending Pathways**

NOMS has built what it calls the seven reducing pathways to reduce re-offending into the provision of services to offenders. The challenge expressed by NOMS is to “transform the offender into the citizen”. It means ensuring appropriate monitoring and supervision, working together to tackle drug and alcohol abuse, improving offenders’ basic skills, tackling their offending behaviour and improving their chances of them getting a job. It also means helping them get/keep decent accommodation and working with the children and families of offenders to try and break the cycle of offending. The seven NOMS pathways to reduce re-offending are:

- **Health:** Offenders are disproportionately more likely to suffer from mental and physical health problems than the general population and also have high rates of alcohol misuse. 31% of adult prisoners were found to have emotional well being issues linked to their offending behaviour.
- **Drugs and alcohol:** Around two thirds of prisoners use illegal drugs in the year before imprisonment and intoxication by alcohol is linked to 30% of sexual offences, 33% of burglaries, 50% of street crime and about half of all violent crimes.

- Accommodation and support: A third of prisoners do not have settled accommodation prior to custody and it is estimated that stable accommodation can reduce the likelihood of re-offending by more than a fifth.
- Education, training and employment: Having a job can reduce the risk of re-offending by between a third and a half. There is a strong correlation between offending, poor literacy, language and numeracy skills and low achievement. Health: Offenders are disproportionately more likely to suffer from mental and physical health problems than the general population and also have high rates of alcohol misuse. Drugs and alcohol: Around two thirds of prisoners use illegal drugs in the year before imprisonment and intoxication by alcohol is linked to 30% of sexual offences, 33% of burglaries, 50% of street crime and about half of all violent crimes.
- Finance, benefits and debt: Ensuring that ex-offenders have sufficient lawfully obtained money to live on is vital to their rehabilitation. Around 48% of prisoners report a history of debt, which gets worse for about a third of them during custody and about 81% of offenders claim benefit on release.
- Children and families: Maintaining strong relationships with families and children can play a major role in helping prisoners to make and sustain changes that help them to avoid re-offending. This is difficult because custody places added strains on family relationships.
- Attitudes, thinking & behaviour: Prisoners are more likely to have negative social attitudes and poor self-control. Successfully addressing their attitudes, thinking and behaviour during custody may reduce re-offending by up to 14%.

#### 4.5 Issues Related to Housing Offenders

Links between homelessness and offending are well-established in numerous reports, with about a third of offenders being without a home either before or after imprisonment. Housing has been recognised as one of the key factors that can reduce re-offending and is one of the seven Reducing Re-Offending Pathways established by the Reducing Re-Offending National Action Plan in 2004.

NOMS set a target of 81.3 per cent of offenders to be in settled or suitable accommodation at the end of their sentence. In 2010–11, this, according to NOMS, was achieved with 86.7 per cent of offenders reported to be in such accommodation (NOMS, 2011). However, recent funding cuts and the structure of the criminal justice system, particularly in relation to housing short-sentence prisoners and those on remand, make the NOMS target more challenging.

The identification of housing as one of the Seven Pathways, and the move towards partnership working with social housing providers to reduce re-offending, have led to a number of initiatives which involve the voluntary & community sectors (VCS). Some VCSs have been contracted into prisons to provide housing advice and support, or provide offenders with access to temporary accommodation in short-stay hostels and Approved Premises.

Despite the involvement of VCSs, offenders and ex-offenders still face numerous challenges when trying to secure accommodation. The prescribed criteria for assessing homelessness, local nomination and allocation policies and the presence of a criminal and prison record are all factors which can delay or prevent provision of housing for ex-offenders.

In their study, *Accommodation for ex-offenders: Third sector housing advice and provision*, Gojkovic, Mills and Meek (March 2012) draw on a qualitative study in eight prisons and one probation area and a survey of 680 offenders to examine the role of the third sector in assisting offenders and ex-offenders to find suitable accommodation. The results show that there have been several positive developments in the last ten years, with many prisons now having a dedicated housing advisor and important links with housing providers. There remain, however, numerous barriers to effective housing advice and provision. Factors include: the need for more transparent assessment and allocation policies and difficulties of partnership working, especially where partners differ on whether they view housing for ex-offenders with urgency.

Gojkovic *et al's* study also emphasises the need for a more transparent housing priority assessment system in increasing housing opportunities for marginalised groups, such as short-sentenced prisoners and young offenders, but notes that provisions for greater flexibility, discretion and conditionality in social housing lettings following the Localism Act move things in precisely the opposite direction.

Although many prisons now have dedicated housing advisors and have formed important links with housing providers in order to improve communication to help secure existing accommodation and facilitate referral processes, allocation policies for social housing are likely to grow more stringent during the wider economic downturn as the local authorities become more pressed to provide housing for a growing number of people, and in such circumstances, offenders are even less unlikely to be treated as a priority for housing provision. Moreover, there is evidence that the greater flexibility given to local authorities under the Localism Act 2012 will lead to increasing conditionality in the allocation of social housing, linking eligibility to having a job or being involved in volunteering or not being involved in anti-social behaviour. This is likely to have a further adverse effect on the rehousing prospects of ex-offenders. It is important in this context therefore to also consider the effects that the Welfare Reform Act is likely to have on the ability of housing providers to offer appropriate housing.

#### **4.6 The Potential Impact of the 2012 Welfare Reform Act on Housing Offenders**

Since the general election in 2010, the coalition government has made it clear that it wishes to effect wholesale changes in the way that welfare and benefits are administered, assessed and paid. Numerous social and political commentators have expressed grave concerns over the impact that these changes (being introduced through the Welfare Reform Act of 2012) will have on vulnerable groups. One such group is offenders (including ex-offenders) who have a disproportionate reliance on state benefits and, in particular, housing benefit.

At the heart of the reforms is the introduction of Universal Credits, which seeks to simplify the benefit system by rolling up a number of means-tested benefits into a single benefit to be paid directly into a claimant's bank accounts monthly in arrears. Those benefits are income related employment Support Allowance, Income related Job Seekers Allowance, Income Support, Working Tax Credits, Child Tax Credits and Housing Benefit. The government also hopes that efficiency savings will be made from streamlining the system. The timescale for phasing in Universal Credit is:

- from October 2013 – all new claims and changes of circumstances for existing claims will be subject to Universal Credit
- from April 2014 – existing claimants who will benefit most from the transition
- by the end of 2015 – gradual transfer of remaining claims, thought to be planned on a geographical basis..

The introduction of Universal Credit brings two major welfare reform issues in its wake.

Firstly, direct payment to claimants. At present, Housing Benefit is administered by local authorities. The benefit is claimed by individuals, awarded by the council and then paid directly to the landlord under the Landlord Direct scheme. The government's vision is for benefit payments to mimic the payment of a wage or salary. Universal Credit will therefore introduce direct payment to claimants a month in arrears from its introduction in October 2013. The government argues that this measure will ensure a seamless transition into paid work and remove the barrier presented by weekly or fortnightly benefit payment ending and causing hardship while new workers wait for their first payment of wages or salary. Furthermore, new entrants to employment will be familiar with the financial skills needed to budget monthly.

There will be exceptions to the presumption of direct payment to claimants. For example, vulnerable tenants will retain payment direct to their landlord of the housing cost element of Universal Credit. However, there has been no definition of 'vulnerable' set out so far by DWP. Sector expectation is, however, leaning to a tight definition of vulnerability to reduce the numbers classified as such. Neither has there been a decision made by DWP on whether a trigger point will be retained at which arrears will

entitle a landlord to receive benefit payments directly. DWP has been running Demonstration Projects for direct payment to claimants from June 2012 to June 2013, during which arrears trigger points of four, eight and twelve weeks' arrears will be tested and evaluated. This does however mean that the trigger point, if any, will not be known for some time.

Secondly, the *Bedroom Tax*. The government is introducing new size criteria for housing benefit from April 2013. Housing benefit will only be paid for accommodation deemed to be needed by a household. To manage this, the government has introduced a new bedroom standard. This differs from the traditional bedroom standard by lowering the age when young people must be allocated their own room from twenty-one to sixteen. Until now, eligibility for housing benefit has been linked to 100 per cent of rent charged irrespective of the size of property occupied. The Welfare Reform Act 2012 breaks that link by introducing reductions in eligibility. Households that under-occupy by one bedroom will have their eligibility reduced by 14 per cent, while households under-occupying by two or more bedrooms will have a 25 per cent deduction. The deductions were set as a percentage, as opposed to a set figure, so that local variations in rent levels would be allowed for.

The shortfall between benefit paid and rent due must be paid by tenants. No allowance will be made for offenders separated from their families with additional rooms for weekend child access arrangements. This final measure will mean careful consideration of allocations when joint tenancies break down and each parent is awarded custody.

There are genuine fears that one possible consequence of the WRA is that some social housing providers, notably the smaller ones that provide housing support for vulnerable groups, such as offenders, will struggle to survive as a result of rent arrears or defaults. The loss of social housing provision will increase the numbers of single people who are homeless. The nature and extent of this will now be explored.

#### **4.7 The Costs Implications of Homelessness**

Homelessness is defined in the 1996 Housing Act as relating to someone who has "no accommodation they are entitled to occupy". In their report on *Single Homelessness and the Questions of Numbers and Cost*, the New Policy Institute (NPI) consider this definition to be too broad to allow for agreement on what the terms means in a pragmatic sense and therefore hinders the opportunity for the development of national or local policies to address the issue.

The NPI estimate that there are around 350,000 homeless people at any one time. Of this number, only a small proportion, estimate around 1000 are *rough sleepers* and around 90000 live in hostels or bed & breakfast accommodation. The vast majority reside with friends or families but without any explicit right to do so, what is colloquially described as *dossing*. There are no reliable statistics to indicate what numbers of homeless people are offenders or ex-offenders but, including those at risk of offending, it could reasonably be assumed that well over half of the single homeless population fit this category.

The NPI have calculated the hard costs (the amount that is spent or lost) borne by institutions in the public, private and third sectors as a result of homelessness is £24500. The calculations are based on: Failed tenancy; temporary accommodation; support services; health services; police & criminal justice costs in responding to crime; resettlement work and; unemployment costs.

## 5. Stakeholders

### 5.1 Stakeholder Involvement

Stakeholders are defined as people or organisations that experience change, whether positive or negative, as a result of the activity being analysed. In SROI analysis we are concerned primarily with finding out how much value has been created or destroyed and for whom. As well as helping us to find out what really matters to our stakeholders, stakeholder involvement through the SROI process has allowed us to understand more about the strengths and weaknesses of the project and provided useful information which will help improve the service in the future.

It is crucial to involve stakeholders at a number of stages in the SROI process. It is however important to be sensitive to the amount of time and resources stakeholders can give to this process and to make the most efficient use of time by collecting data for several stages at once. For this SROI study we involved 11 PAM service users, 4 staff members of YSS and 6 volunteer mentors. We used the medium of one-to-one interviews with all stakeholders, as opposed to other SROI client engagement methods such as questionnaires (too impersonal) and workshops (may inhibit responses). The interviews were done on a structured basis but opportunity for variance from the structured approach was built in.

We were not able to involve the state stakeholders directly in this pilot so we used existing research and secondary information already available to help inform our decisions on outcomes, indicators, proxies and impact calculations. The SROI VOIS (Values, Outcomes, Indicators, Stakeholders) database was particularly useful. This is a relatively new body of evidence which aims to develop more commonality of values across SROI studies and is populated by SROI practitioners and members of the SROI network.

An important point when planning the involvement of stakeholders is that the collecting outcomes data stage should take place at a different time to the describing of outcomes and the development of outcome indicators. The reason for this is that the outcomes and indicators need to be worked through and agreed before the data collection can start, otherwise there is a risk that we are only measuring what is easy to measure as opposed to what actually indicates the change – which stakeholders have identified has taken place.

### 5.2 Scoping & Identifying

All stakeholders of PAM and the reason for their inclusion and exclusion in the financial calculations are outlined below:

<b>Key Stakeholders</b>	<b>Reason for Inclusion in the SROI calculations</b>
Clients of the service	Primary beneficiaries of the service. Likely to be experiencing significant outcomes if intervention is successful.
Voluntary Workers	Volunteer workers have been trained by the service to offer basic support to their clients. Volunteers' motivation for working for PAM differed greatly and the project will clearly impact on their lives.
The State	Potential for reduction in benefit payments and increased state income from taxes where people are successfully supported into paid work. In the case of reducing offending, potential for reducing the costs to the criminal justice system
<b>Key Stakeholders</b>	<b>Reasons for Non-Inclusion in the SROI calculations</b>
YSS Staff	YSS staff would not otherwise be employed. This is a significant change to their life. <i>They have not been included in the SROI process as the identification as a stakeholder evolved during the process, so the decision was taken to exclude them at this stage. It must be noted that in future the employees would be a direct stakeholder and should be included.</i>

Stakeholders	Reason for Non-Inclusion in the SROI calculations
Statutory Services	<p>Although a number of additional agencies and support groups had direct or indirect contact with our service clients, the team did not have sufficient capacity to consult with them all and the outcomes reported by our stakeholders did not identify these groups as experiencing the key changes.</p> <p><i>We have excluded these stakeholders as we did not capture this information during the period in question but we would look to investigate the changes experienced by these groups more fully in future SROI analyses of this service. The outcomes that clients using the service achieve could free up Job Centre Plus and Probation Service workloads, supporting them to hit their targets of moving people off out-of-work benefits and out of the CJS</i></p>

For the purpose of this pilot the Team have taken the pragmatic view to only consider those stakeholders directly affected by the service: PAM service users (those directly supported by the project) and the State.

There was insufficient time and resources to retrospectively gather robust data and intelligence on other stakeholders and we were unable to directly engage and involve them in any meaningful way to scope out their outcomes.

## 6. Outcomes and Evidence

### 6.1 Inputs

Building an Impact Map is central to the SROI analysis. It details how the activities being analysed use certain resources (inputs) to deliver activities (measured as outputs) which result in outcomes for stakeholders. The inputs refer to the contributions made by the stakeholders to make the activity (YSS and the PAM project) possible and the cost of delivering the service. In this instance the total financial input is made by contributions from Supporting People. This figure includes the salary and costs for YSS, training costs, travel expenses, phone costs and office space and services. The input and output figures cover a period of 12 months from April 2012 to March 2013.

### 6.2 Outputs & Outcomes

This section is divided into those stakeholders (staff & volunteers) who derived benefit from the project but for whom there have been no calculations in terms of financial impact and those (service users & state) where a financial value has been calculated.

#### 6.2.1 Staff & Volunteers

There are three paid members of staff and anything between twelve and fifteen volunteers directly engaged with delivering the PAM project. The paid staff structure includes one full time volunteer co-ordinator (managing an active case load of 12 -15 PAM volunteer mentors at any one time) and two x 18.5 hours support workers, employed by the YMCA covering the north and south of the county.

In terms of the paid staff, all staff had a background in working with individuals who have been disenfranchised from society, either through behavioural difficulties at school, offending or homelessness. The volunteer co-ordinator and support workers have benefitted from their involvement in the project with heightened awareness of the issues relating to offending and homelessness. All feel that their potential to move on to other paid positions or higher education has improved considerably as a result of experiences gained on the project.

In terms of the volunteers, in the 50% sample interviewed, there is not a one size fits all that describes the typical volunteer. Volunteers' backgrounds varied greatly in terms of age, gender, prior experience and academic achievements. Some volunteers are retired, some are on the early stages of changing their careers, some see the project as a way of putting something back into society, some want to enhance their CVs, some are ex-public servants, some come from health & social care backgrounds, others vocational/trade backgrounds. The one unifying factor, and the organisation's specifications for recruiting volunteers is that they are enthusiastic, have good people skills and a genuine desire to want to help offenders.

#### 6.2.2 Clients

In terms of the client group and in order to establish the outcomes for the Impact Map, we had to understand the changes that occurred for each stakeholder. We gathered this evidence through interviews and cross-referenced it with existing data held by the project.

This can be represented for the stakeholders with financial implications for the SROI as follows:

Stakeholder	Outcome	Outcome Indicator	Source of Data
PAM Clients	Total number of service users who have achieved/are achieving independence in area of support and no longer require support.	Number of clients with access to longer term housing related support services	Interviews and monitoring data
		Number of clients accessing appropriate accommodation	
		Number of clients more capable of applying for, getting and keeping regular employment.	Interviews and monitoring data
		Number of clients complying with statutory orders	Interviews and monitoring data
		Number of clients with a greater sense of well-being due to improved health and better finances	Interviews and monitoring data
The State	Reduction in payments relating to unemployment	Number of clients finding work	Interviews and monitoring data
	Increase in IR & NI takings	Number of clients finding work	Interviews and monitoring data
	Reduction in payments relating to dealing with criminal offences	Number of clients less likely to offend due to more stable housing, family, health, employment circumstances	Interviews and monitoring data

From our stakeholder interviews, cross-referenced with existing data (PAM Client Contact Summary), the following outputs and outcomes have been achieved for the period 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013:

#### Outputs

- 122 service users were identified as needing support to access appropriate accommodation (78 have achieved/are achieving independency in this area of support)
- All 122 service users needed support to comply with statutory orders placed on their release (76 have achieved/are achieving independency in this area of support)
- 78 of the 122 service users had health-related issues (41 have achieved/are achieving independency in this area of support)
- 84 of the 122 service users had debt-related issues (48 have achieved/are achieving independency in this area of support)
- 78 of the 122 service users needed support to access benefits (42 have achieved/are achieving independency in this area of support)
- 46 of the 122 service users disengaged with the service before achieving independency
- 14 of the 46 service users who disengaged with the service before achieving independency did so because they were returned to custody
- 2 of the 46 service users who disengaged with the service before achieving independency did so because of death or serious illness

### Outcomes

- Clients attributed an average of 81% of their access to appropriate accommodation to the support from PAM
- Clients attributed an average of 63% of their non-reoffending to the support from PAM
- Clients attributed an average of 45% of improvements in their health to the support from PAM
- Clients attributed an average of 54% of improvements in their financial situation to the support from PAM
- Clients reported a average of 63% increase in confidence due to the support from PAM
- Clients reported a average of 18% increase in employability due to the support from PAM
- Clients reported that they are an average of 45% less likely to reoffend due to their support from PAM.

### Case study 1

Josh is 38. He has been in and out of prison since his late teens. He was a mechanic/tyre fitter prior to going to prison. He suffers with anxiety and depression and arthritic knees. He is currently homeless. The project mentor is working with him to help him find accommodation and some ID documentation. He has received computer training from the project to help him bid for on-line accommodation vacancies. He commented that "Probation used to keep tabs on me, my mentor got things moving"

Key themes which came out of the interviews included:

- The one-to-one support offered by the mentors has been critical to improving the confidence and self-esteem of its clients.
- The flexibility on offer in terms of meeting clients at convenient venues and times has made a significant contribution in keeping disengagement rates below 50%
- Dealing with the full range of issues facing clients is a vital aspect of the service.
- The user-friendly approach of key workers was vital in building trust

### Case study 2

Alan is 23. He has a string of violent related offences going back into his early teens. He suffers from depression and confesses to "drinking a lot". He has trained as a plasterer but doesn't feel his employment prospects are good. He commented that "My attitude was rubbish. My mentor sat me down and worked with me on improving this. She's always on the phone to me and we meet 3 times a week to discuss where I am on my action plan".

The changes for the state were in terms of:

- the reduction in payment of state benefits and increase in Inland Revenue and National Insurance payments through individuals moving into employment.
- The reduction in costs to the Health System as a result of reduced demand on critical services such as Accident and Emergency due to individuals registering with a GP/Dentist and seeking advice earlier for health related issues
- the reduction in costs to the Criminal Justice System as a result of non-offending.

### Case study 3

Kyle is 22. He was homeless at 16 and described his life as "spiralling downhill fast". He is currently on probation, having narrowly missed going to prison. He commented that, "This was a big wake up call for me". He felt that his mentor had demonstrated great commitment in trying to support him to deal with a number of issues he was facing and acknowledged their willingness to go the extra mile. He ended by saying that, "Just knowing the help was there has been massive for me".

## 6.4 Indicators and Data Sources

Indicators tell us whether the outcome (change) has occurred and to what extent. In some instances such as the change in progress towards employment outcome we have opted to use more than one indicator. We have also tried to balance subjective (or self-reported) indicators with objective indicators to make our analysis as robust as possible. Demonstrating and valuing outcomes, particularly where they are less tangible or have no easily identifiable market value, relies on the identification of indicators which express how the outcome is experienced in a way that is measurable.

Outcome	Indicator & Source	Duration	Drop Off	Proxy	Source
Housing	Clients interviewed reporting satisfaction with housing support	2 years	50%	£24500 per person	New Policy Institute report <i>How Many How Much?</i>
Health & Wellbeing	Clients interviewed reporting increase in levels of confidence and self-esteem	2 years	50%	£1711 per person	Emagister.co.uk (NEF used for Cov LEGI)
Employment	Clients interviewed who are more capable of applying for, getting and keeping regular employment	1 year	75%	£11179 per person	DWP Figures
Offending	Clients interviewed who are less likely to reoffend due to more stable housing, family, health, employment circumstances	3 years	75%	£17684 per person	MOJ Figures based on victim costs and costs of dealing with crime for non-prison based offences
	Clients whose offences are likely to result in imprisonment	3 years	75%	£25000 per person	MOJ Figures based on costs of short-term prison sentences
Improved Financial standing	Clients interviewed who are less likely to need financial counselling	2 years	75%	£210 per person	Aviva report: Value of Financial Advice

## 6.5 Duration of Outcomes

For each outcome we have added a duration figure to the Impact Map which relates to the length of time over which the outcome is expected to last or against which the outcome will be attributed to YSS. The effect of some outcomes will last longer than others; some outcomes depend on the activity continuing and some do not. We have been fairly conservative in the duration for which we have claimed outcomes. Where we have claimed for in excess of a one year duration, we have opted for a generous drop-off rate. This means that throughout our study, we have used conservative estimates. Additional research is necessary to confirm whether or not these estimates are accurate reflections of the duration of outcomes

For the outcome for clients which relates to improvements in **housing**, we have put a two year duration on the outcome. We have used the New Policy Institutes report on the costs of homelessness, which

takes into account: lost rent, hostel/refuge costs, cost of outreach services, GP services and police time.

For the outcome for clients which relates to improvements in **health**, we have put a two year duration on the outcome. Most of the illnesses reported by clients were stress-related (anxiety or depression). These were exacerbated by unemployment, debt, addictions and lack of suitable accommodation. If these were addressed early, an estimation of duration of outcome of two years appears reasonable.

We have chosen the SROI report tomorrow's People as the source for this. For the outcome for clients which relates to a change in progress towards **employment**, we have only put a one year duration on the outcome to state of the individual of moving into employment. We feel that there is insufficient data available either in existing reports or this study to justify claiming more than one year.

For the outcome for **offending**, we have put a three year duration on the outcomes for MOJ savings. Statistics from the NOMs service indicate that if an offender does not re-offend within the first year after release, they are unlikely to re-offend for a further two years. We have therefore applied this rationale to clients.

## 6.6 Financial Proxies

When identifying financial proxies it is important to remember that we are not interested in whether money actually changes hands and it does not matter whether or not the stakeholders in question could afford to buy something – they can still place a value on it. The proxies demonstrate the value of the outcomes in monetary terms. For things that are traded in markets, the market price is used when suitable. An example of this is where we have opted to use the price of a confidence training course and the cost of commercial support to find a job as proxies for the changes in personal well-being and change in progress towards employment outcomes for unemployed clients.

When a price is not available, other ways of approximating how much stakeholders value the outcome can be used. As the SROI process becomes more widely adopted the available SROI resources and databases also increase leading to more consistent and recognised used indicators and proxies. As with all of the outcome calculations, we have not attributed this outcome solely to the work of PAM. We have made deadweight, attribution and displacement calculations informed by recent SROI reports and guidelines to rationalise the financial impact.

## 7. Impact

Impact measures provide a way of estimating how much of the outcome would have happened anyway and what proportion of the outcome can be isolated as being added by service activities. We are interested in the ultimate impact of YSS and this has been determined with reference to the effects of attribution, displacement, deadweight and drop-off. We use these impact measures to assess whether, and to what extent, the outcomes we have analysed result directly from the YSS.

Establishing impact is important as it reduces the risk of over-claiming and means that the story will be more credible. It is only by measuring and accounting for all of these factors that a sense of the impact that the activity is having can be gained. Otherwise there is the risk of investing in initiatives that do not work, or do not work as well as intended.

There are four aspects of establishing impact:

- Deadweight – how much of the activity would have happened anyway
- Attribution – how much of the outcome was caused by the contribution of other organisations or people
- Displacement – what activities or services are displaced
- Drop-off – the decline in the outcome over time (only calculated for outcomes that last for more than one year)

Each of these aspects is normally expressed as a percentage and our Impact Map spreadsheet allows us to input these percentages and calculates the monetary values to be deducted. For every decision taken we have kept supporting information that explains the assumptions that we have made in the study.

### 7.1 Deadweight

Deadweight is a measure to describe the amount of the outcome that would have happened anyway, even if the PAM support had not been in operation. It would be wrong in our analysis to attribute all jobs gained and personal well being improved by clients if some of those people would have got jobs or become more self confident anyway. We ought to count only those changes that occurred over and above what would have happened in the absence of PAM.

In establishing deadweight, and through exploring deadweight during the interviews, it was considered that in most cases the clients would have done very little without some form of intervention. There is little else available, other than the probationary and social services to help homeless offenders find suitable accommodation. The interviews identified that having the personal support provided by the mentors was also a key factor to helping to build motivation and personal well being in terms of self confidence.

### 7.2 Attribution

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

Attribution was difficult to judge as details of the support offered to the client outside of the PAM project were limited. A question was asked, which was used as the basis for our attribution calculations, around what approaches had been made to other support agencies. Probation officers and drug support agencies were the most noticeable offering support alongside local charities. None of those interviewed indicated any level of contribution from either Social Services or other statutory services such as Jobcentre Plus.

In terms of support to find suitable housing, most appreciated the contribution of the mentors. For this reason we opted for medium attribution rate for health and wellbeing and for individuals moving into employment. Reducing offending was more difficult. Stable accommodation, good health and well-being are major factors to not offending, and therefore meriting a low attribution percentage. We did not specifically ask the question of what contribution other agencies, such as the probation service, have made in this respect but from the interviews, we have chosen a figure of 30% to represent this based on the support given by the mentor. In respect of improvements in financial management and family relationships PAM has mainly acted as a referral point but has in many instances accompanied the client in meeting with financial advisers. For this reason we have allocated a 50% attribution rate.

### **7.3 Displacement**

Displacement is an assessment of how much of the outcome displaced other outcomes. It does not apply in every SROI analysis. However, as this project is about supporting offenders into employment, and we have counted the contribution of decreased benefit payments and increased taxes in the analysis, we have considered that for the state outcomes, displacement is relevant. From the point of view of the state, the reduction in benefits and increase in taxes would have a displacement rate as the jobs that people have moved into are most likely jobs that are now denied to someone else that could have made similar contributions. This is irrespective of any other economic benefits to the individual or community that this project might produce.

For the three outcomes for the state we have opted for a 40% displacement rate. NEF and others are currently working on specific guidance on displacement and deadweight in relation to employment support programmes and recommended displacement rates for similar projects range from 20 – 60%. We have opted for a median estimate of 40%.

### **7.4 Drop-Off**

For outcomes that last longer than one year, it is likely that the effect of the outcome will diminish over time. The outcome will be influenced by other factors and it will be less attributable to that activity.

Drop-off is used to take account of this and the reduction is calculated by deducting a percentage from the outcome. These percentages are detailed on the Impact Map. We have been fairly conservative in the duration of outcomes and purposefully generous in the drop-off rate's we have applied in order to avoid over-claiming.

We needed to account for the percentage of clients who may move into suitable accommodation or employment but won't sustain it beyond one year. To identify the drop-off for these outcomes we have looked at similar housing and employment support programmes and the percentage of participants who sustained housing and employment beyond 12 months. Business in the Community conducted a recent SROI study and used a 50% drop off rate which reflected the fact that 64% of their clients who gained employment through their Ready to Work programme sustained it into a second year and 37% of clients on their 'all-time database' who gained employment sustained it for longer than 12 months. There are no comparable statistics related to housing. We therefore feel justified in applying the same drop-off rate of 50%

For the change in well-being (self confidence) outcome we have a three year benefit period and have opted for a 50% drop-off rate. The rationale for this is that without exception the clients that we spoke to who had used the PAM service felt in a considerably better position personally with increased confidence and motivation going forward. It will be important to revisit the duration and drop-off figures against this outcome in the future.

For the change in offending outcome, we have a two year benefit period and opted for a 75% drop-off rate as NOMs statistics show that not re-offending within the first year after release means the offender is 50% less likely to re-offend in the second year and 75% less like likely to re-offend subsequently.

## 8. Social Return on Investment

The Social Return on Investment (SROI) value is expressed as a ratio of return and is derived from dividing the value of the impact (referred to as the benefits on our Impact Map) by the value of the investment.

The Impact Map attributes a value to the influence that the project workers have had on the circumstances of the clients. Improvements are measured in terms of housing, health, employment, financial stability and offending.

The Impact Map itself is a complex set of formulae that takes into account impact measures such as Deadweight, Attribution, Displacement and Drop-Off (see sections 8.1-8.4). Highlights from the Impact Map indicate:

As a result of the project:

- 19 clients have secured permanent accommodation. Clients interviewed in the sample have attributed an average of 81% of this outcome to the work of the project. The value per client of this aspect is £19845 (81% of the proxy £24500). The total residual SROI for this aspect after attribution and drop-off is £392,252
- A further 59 clients are an estimate 25% of the way to securing permanent accommodation. The value per client of this aspect is £4961 (25% of £19845). The total residual SROI for this aspect after attribution and drop-off is £52,688
- 41 clients have improved health. Clients interviewed in the sample have attributed an average of 45% of this outcome to the work of the project. The value per client of this aspect is £593 (45% of the proxy £1711). The total residual SROI for this aspect after attribution and drop-off is £36,461
- 3 clients have secured employment. Clients interviewed in the sample have attributed an average of 18% of this outcome to the work of the project. The value per client of this aspect is £2012 (18% of the proxy £11179). The total residual SROI for this aspect after attribution and drop-off is £1,389
- 55 clients have not offended. Clients interviewed in the sample have attributed an average of 45% of this outcome to the work of the project. The value per client of this aspect is £6958 (45% of the proxy £17684). The total residual SROI for this aspect after attribution and drop-off is £646,526
- 5 clients will not go to prison (based on an assumption that 1 in 10 offenders are caught and will go to prison). Clients interviewed in the sample have attributed an average of 45% of this outcome to the work of the project. The value per client of this aspect is £11250 (45% of the proxy £25,000). The total residual SROI for this aspect after attribution and drop-off is £81,949
- 48 clients no longer need debt counselling. Clients interviewed in the sample have attributed an average of 54% of this outcome to the work of the project. The value per client of this aspect is £113 (54% of the proxy £210). The total residual SROI for this aspect after attribution and drop-off is £5144

The total social value of the project is £1,216,408. The costs of delivering the project is £72,000

**This gives a Social Return on Investment of £16.87: £1**

This means that for every pound of investment in the YSS project, £16.87 of social value is created.

## 9. Conclusions & Recommendations

The main themes to emerge from this research are:

- Studies of homeless people and offenders show that it is rare for a single factor to be the cause of either homelessness or re-offending. It is important for all concerned to understand the scope and scale of the problems facing homeless offenders
- Service provision for offenders with accommodation issues is fragmented and inconsistent. Government, Local Authorities and third sector service providers should consider how best to support offenders to find and sustain suitable accommodation
- Research is necessary into the likely impact that the Welfare Reform Act will have on reducing the level of social housing provision for offenders and the potential increase in the costs to the public sector of dealing with greater numbers of homeless people

This report suggests that the services offered to offenders by PAM can make a significant contribution their lives. Our SROI analysis has demonstrated that the Key Workers have been highly effective and brought about substantial positive changes for the clients who have used the service. Overall the PAM project has created a substantial social value of nearly £17 for every £1 of investment. This figure is based on rigorous research and best assumptions.

YSS has delivered the PAM project in a very complex arena, where there is the interplay of many services and agencies. This SROI analysis demonstrates the difference that agencies such as YSS can make, and there is the potential and opportunity for the state to play a valuable role in this arena. With increased funding and guidelines for a more measured and integrated approach to the rehabilitation of offenders the current fragmentation and isolation in the service could be avoided.

YSS clearly has a number of strengths in working with offenders. Some of these are:

- The capacity for diversification: YSS can widen the range of services available to their clients, free from the bureaucracy of the Criminal Justice System (CJS).
- The diversity of staff: Paid staff and volunteers offer a much more diverse range of skills and experiences and therefore more responsive to the needs of the client group they work with.
- Independent of the CJS: Although this has its pitfalls in that funding is not as secure as it would be if service delivery was through the CJS, relative freedom from political influences can mean the service is viewed by its clients as more approachable and trustworthy.
- Community links: The geographical spread of YSS means that their services are accessible to a much wider section of the community.
- User friendly: Clients welcome the supporting, not controlling ethos that key workers apply
- Extensive knowledge and expertise of the CJS: giving credibility to the project and enabling robust processes and information sharing procedures around risk, vulnerability etc

The above strengths were acknowledged by the NOMS in their Third Sector Reducing Re-Offending Action Plan which stated that organisations like YSS have “a critical role to play as advocates of service users and communities, as partners in strategy and service development, and as service providers”. NOMS also commented that they “value their role as enablers of effective community engagement, volunteering and mentoring”.

There are many issues facing the offender management service, notably the reorganisation of the NOMS and DOMS, outsourcing service delivery and payment by results. The issue of where exactly local commissioning for reducing reoffending should sit is important. Recent developments have made it abundantly clear that a purchaser-provider split is essential. This must however be achieved with little or no loss to the levels of accountability that organisations spending public money must adhere to. According to the Policy Exchange, Probation Trusts have limited experience in the field of commissioning services, “failing to design and purchase services intelligently and with organisations other than the probation service”. Payment-by-results, although not without its critics, is a potentially exciting and according to the Policy Exchange, “much needed development”. The Policy Exchange justifies this statement by claiming that, “The delivery of services to high-cost users of public services (such as offenders) is fractured, bureaucratic, siloed and ineffective”. They claim that outsourcing service delivery would, “reduce demand on the state, duplication of services and improve outcomes”.

YSS has a great opportunity to capitalise on the uncertainty that each of these issues poses.

- They are a ‘safe pair of hands’, having built a good reputation for working with offenders.
- They understand the importance of reaching performance targets whilst being able to account for every penny spent.
- They are known and valued by Probation Trusts, having worked closely with all 3 Probation Trusts in the region.
- They have royal patronage.
- They are innovative in their design and delivery of products and services.
- They have quality staff (paid and volunteers) that understand the needs of their clients and work with them in an approachable and trusting manner.
- They have a good geographical spread.

Over the course of the past 2 years, it is clear that the MOJ has recognised the importance of focusing attention for reducing reoffending beyond that of the provisions offered within prisons and the probation service. YSS has responded to this and, through their involvement in the PAM project, was able to widen the scope of their services to include a holistic approach to working with offenders that dealt with housing, health & well-being, financial and employment issues. By demonstrating their capacity to be more responsive to the needs of their clients, whilst maintaining the professionalism expected of a public funded organisation, they are well-located to position themselves as a key player in the reformation of offender management services.

Funding support for the PAM project ends in 2014. The project is solely reliant on this support to cover the costs of the volunteer co-ordinator and Key Worker posts. The case for continued funding is simple: Well over a million pounds worth of public, private and third sector spending will be saved each year as a result of an investment of £72,000 in the PAM project.

The PAM project demonstrates excellent value for money, gives countywide coverage and uses volunteers extensively to add social value and localism to the project. Despite this, it is unlikely that the PAM project will be able generate sufficient income from enterprising ventures such as the proposed YSS Carden St. cafe or training facilities to sustain the project beyond 2014. The development of these facilities however will enhance the services offered by the project and introduce more of an employment support aspect. The TUVJGODS project in Stockholm is a good example of where a VCS project has offered short-term accommodation and employment & training opportunities to newly-released prisoners through its recycling and sales outlet. YSS staff are aware of this and other EU projects of a similar nature and are considering plans to replicate these. Initiatives of this nature, that are essential to prolong the life of the project, take time to develop. It is vital therefore that funding support during this development phase is made available.

# Appendices

## Appendix 1: Audit Trail - Stakeholders

Stakeholder and how they effect or are affected by the activity	What we think happens to them, positive and negative	Included/excluded ?	Method of involvement?	How many?
Clients (users of the service)	Resettled in suitable accommodation, increased confidence, more job ready, less likely to reoffend. More financially stable.	Included	Service evaluation interviews	11 interviews
Staff & Volunteers	Greater employment stability and job satisfaction.	Included (but not in the SROI calculations)	Interviews	10 interviews
The state	Potential for reduction in benefit payments and increased state income from taxes where people are successfully supported into paid work.  Potential for reductions in costs to the CJS in terms of probation and prison services	Included	Secondary data and intelligence	

## Appendix 2: Glossary (adapted from 'A guide to SROI' – The SROI Network p85)

<b>Attribution</b>	An assessment of how much of the outcome was caused by the contribution of other organisations or people.
<b>Cost allocation</b>	The allocation of costs or expenditure to activities related to a given programme, product or business.
<b>Deadweight</b>	A measure of the amount of outcome that would have happened even if the activity had not taken place.
<b>Displacement</b>	An assessment of how much of the outcome has displaced other outcomes.
<b>Distance travelled</b>	The progress that a beneficiary makes towards an outcome (also called 'intermediate outcomes').
<b>Drop-off</b>	The deterioration of an outcome over time.
<b>Duration</b>	How long (usually in years) an outcome lasts after the intervention, such as length of time a participant remains in a new job.
<b>Financial value</b>	The financial surplus generated by an organisation in the course of its activities.
<b>Financial model</b>	A set of relationships between financial variables that allow the effect of changes to variables to be tested.
<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>Impact Map</b>	A table that captures how an activity makes a difference: that is, how it uses its resources to provide activities that then lead to particular outcomes for different stakeholders.
<b>Income</b>	An organisation's financial income from sales, donations, contracts or grants.
<b>Inputs</b>	The contributions made by each stakeholder that are necessary for the activity to happen.
<b>Monetise</b>	To assign a financial value to something.
<b>Outcome</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>Outputs</b>	A way of describing the activity in relation to each stakeholder's inputs in quantitative terms.
<b>Outcome indicator</b>	Well-defined measure of an outcome.
<b>Proxy</b>	An approximation of value where an exact measure is impossible to obtain.
<b>Scope</b>	The activities, timescale, boundaries and type of SROI analysis.
<b>Social return ratio</b>	Total present value of the impact divided by total investment.
<b>Stakeholders</b>	People, organisations or entities that experience change, whether positive or negative, as a result of the activity that is being analysed.