
Evaluating the Octavia Foundation's
employment and training programme, 2009-2011

Placing a value on work

A Social Return on Investment Report

www.octaviafoundation.org.uk



Octavia Foundation



The Octavia Foundation is a registered charity (1065817) that works to support individuals and communities in west and central London. Our vision is to help to establish strong and vibrant communities and to help to improve people's quality of life. Our community work focuses on five key areas:

- Engaging with young people and children
- Supporting elderly and vulnerable people
- Helping with jobs and training
- Advising on money and debt
- Involving the community

About the Octavia Foundation



Kam Chung

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About the author

Kam Chung is Head of Service Development at Octavia Housing. His team is responsible for service improvement, performance reporting, data analysis, quality assurance, and the research and development of organisational policy and strategy.

Kam has over 20 years of experience in the public and third sectors and has worked for local authorities, social services and across the social housing sector. He has specialised in research and policy development in social housing for the last ten years.

He is particularly interested in exploring new evaluation techniques, particularly in difficult to quantify scenarios and favours a mixed approach combining qualitative and quantitative methods.

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I hope that you find the report encouraging and that it inspires you...



Director's Introduction



Reena Mukherji
Director, Octavia Foundation

Thank you for reading this report – the Octavia Foundation's first project evaluation using the Social Return on Investment (SROI) methodology. I hope that you enjoy reading about the impact of our work and the changes that our employment and training programme made to local people in Westminster.



...we were prepared to invest time and attention to the process.



Assessment and evaluation of our projects and activities is a key priority for us as an organisation. Evaluation is factored into every project at the outset of its planning, but for some time we have been keen to explore new, more innovative ways to measure and to demonstrate our work and the value that it creates.

The SROI framework seemed an attractive and practical way to better understand the impact of our projects and we've been delighted with our findings and experience so far. And whilst it might be unwise to consider the final ratio in isolation, this tangible, fixed figure has been a great support to the stories that we want to tell and a really legitimate way to succinctly communicate the value of our work.

We decided to distribute the report externally, not only to share the findings (which we find hugely encouraging), but also to introduce other smaller charities to the SROI methodology. We were fortunate to be able to work with Kam Chung, a colleague at Octavia (the housing association which established the Octavia Foundation as an independent charity in 2006), who undertook the research and prepared this report.

The methodology and approach doesn't require any expensive commitment of equipment or resource, but we were prepared to invest time and attention to the process. In many instances, lots of the research and reporting would have fallen into our standard assessment procedures (for example, interviewing or speaking with stakeholders and project participants).

Primarily, we're hopeful that this report will demonstrate the effectiveness of our employment and training programme and the value that it brings to the local communities that we work within. We are also confident that by demonstrating our accountability and approach to project delivery, that the findings will prove a useful addition to future funding applications.

I hope that you find the report encouraging and that it inspires you to consider a similar approach or methodology in evaluating your own projects and activities.

The programme had many other indirect benefits...



ONE

Executive Summary

Social return on investment (SROI)¹ analysis shows a substantial positive impact of the Octavia Foundation's employment and training programme. The programme provides £4.12 in benefit for every £1 invested.



Section definitions:

1. SROI is a principles-based method for reporting on value (not just the financial) relative to resources spent.
2. Financial proxy data are statistics used to measure benefit which is difficult to quantify, for example using estimated savings to the NHS as a measure of benefits to health.
3. All names in case studies have been changed from originals.

From April 2009 to September 2011, the Octavia Foundation delivered an Employment and Training programme in the borough of Westminster funded by London Councils, the European Social Fund, and Westminster Council.

The Octavia Foundation was part of a consortium of housing associations, charities and social enterprises that came together to tackle unemployment in the borough. The Paddington Development Trust held the overall contract and acted as the Project Co-ordinator.

This report aims to establish a Social Return on Investment (SROI) for the Octavia Foundation's programme and sets out the resulting tangible outputs.

The social housing and community initiatives sector has, in recent years, looked to measure the value of work which can be difficult to quantify. SROI is recognised increasingly as a creative way to measure the return of investment, for individuals and for wider society. The method that was followed is outlined in chapters two and six and the financial proxy² data sources that were used are listed in Appendix one.

In compiling the report, only the direct benefit of moving people into employment and the estimated health benefit in the SROI ratio calculation has been included. This is to be scrupulous in not over claiming. The programme had many other indirect benefits, and although the report's objective was not to monetise those outcomes, it is important to reference them to provide a more complete picture of the programme's impact. This report is therefore illustrated throughout with the journeys of some of the people who took part in the programme³:

It was like standing at the edge, looking over the precipice, and then hearing a voice say, 'Look. Come this way. Look over here'

Tamara, 41, single mother, daughter aged 10



“ ”

Do not over claim...
...be transparent...



TWO:

Method

The method adopted is consistent with the principles set out by the SROI Network⁴ and the New Economics Foundation (NEF). The main principles are:



4. The SROI Network is an international membership group of individuals and organisations that want to understand the social value of work and come together to share experience and skills.
5. The New Economics Foundation is an independent 'think-and-do' tank, and specialists in SROI work.
6. The SROI Ratio is a method of calculating the SROI in quantitative terms. There is no universal method but the principles of SROI should be applied.

Involve stakeholders

We reviewed the funder's impact reports. We interviewed the Employment Advisor delivering the project. We interviewed five people (out of 36 helped into work) who took part in the programme.

Understand what changes

We looked at the circumstances of the project participants before they entered the programme and afterwards. This included their work status, income sources and (at interviews), their sense of well-being and their aspirations for the future.

Value the things that matter

In calculating the SROI ratio⁶ we have included mainly direct benefits (namely the savings to state welfare benefits and tax contributions) and estimated health benefits, against the cost of providing the programme.

Only include what is material

We have discounted 15% for 'deadweight' (what could have happened without the activity) and 20% for 'attribution' (other factors that may have contributed to the change) from the final calculations.

Do not over claim

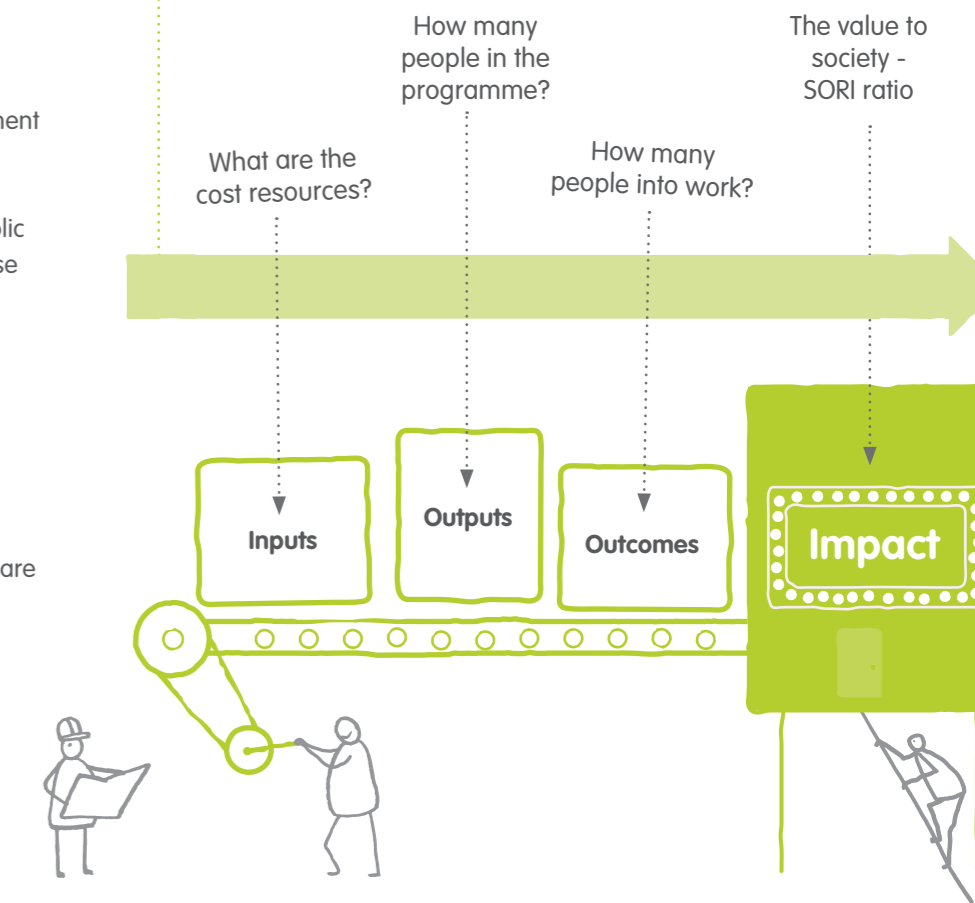
Whilst we firmly believe that employment has other indirect benefits in terms of wellbeing to the family that can be linked to savings for a number of public services, we have only illustrated these benefits in case studies and have not counted them in within the SROI ratio calculation.

Be transparent

The financial proxies used (and their sources) are detailed in Appendix 1. Where available, all financial proxies are taken from government sources.

Principles in practice

In practical terms, there are four main elements to how we measured social value: inputs, outputs, outcomes and impact (the SROI):



188 people enrolled for the Octavia Foundation programme, 36 of whom were helped into work



THREE

What we did (inputs)

The programme

The Octavia Foundation's employment and training programme was part of a wider project involving other providers in the borough. The overall project helped 1300 people to access training and paid work.

The programme was open to all Westminster residents of adult working age, who were unemployed (or working for less than 16 hours a week) and not in full time education. It was advertised in local newspapers and leaflets in the offices of community organisations. Most referrals came from staff in community organisations including the Harrow Road Partnership, Kensington Volunteer Centre, and housing associations. 188 people enrolled for the Octavia Foundation programme, 36 of whom were helped into work. A few self referrals were also received.

The programme's theory of change⁷ was that: as a result of taking part in the programme, unemployed people get a job or are closer to getting a job because they are volunteering, in training or in a work placement.



Section definitions:

7. The theory of change is the objective of the work, project or programme - the difference sought from the work carried out, on which a social value is placed.

The total value of the contract to the Octavia Foundation was £96,931.



“ ”

The costs

The Octavia Foundation's programme was delivered by one full time Employment Advisor, and project managed by the Octavia Foundation's Community Initiatives Manager. The original two year contract value was performance-related. This was extended by a further six months but with more limited targets. The total value of the contract to the Octavia Foundation was £96,931.



Laura is 28 years old and single. She did well at school academically, and attended university graduating with a degree in Psychology. Shortly after this, her father became ill and was diagnosed with cancer of the liver. She moved back home to live with him in his flat (owned by CityWest), and for the next five years was his full time carer.

In 2010 she contacted Westminster Works after seeing an article about their employment programme in a tenant newsletter. Her father's condition seemed more stable and other family members and friends offered to share in the caring responsibilities. Laura only had a little previous work experience in retail, and no work experience in the previous five years:

I had no confidence, low self-esteem, even when I called up I was thinking 'can I do this?'

“ ”

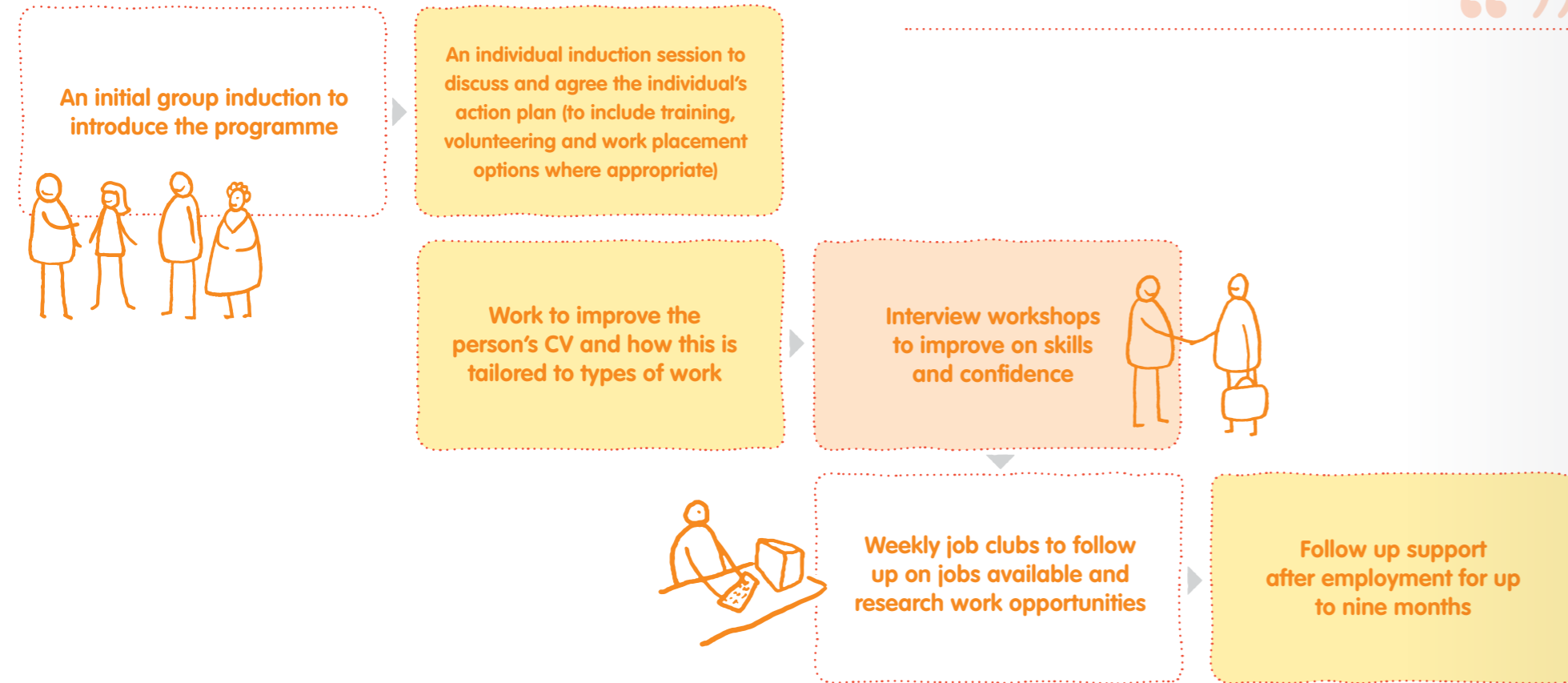
Laura was helped by the Octavia Foundation programme over the period of a year. It took some time for her to work out the kind of work she wanted to do. She felt she was 'starting from scratch' and attended a range the helpful activities on offer from working out an action plan, drawing up a CV, attending interview workshops and the job club meetings. In preparation for her first interviews she had mock interview sessions with the Octavia Foundation Employment Advisor. In May 2011 she secured a job as an Arabic translator at Heathrow Airport. She still works there today. Laura's father passed away earlier this year and she has succeeded to his tenancy:

I'm glad I went back to work before my father passed away. When I got the job, he was so proud of me.

“ ”

The approach

The programme contract specified that each client should be seen for at least six hours. Other output targets were set for the number of: enrolments; training; volunteering; work placements; and people into work. The Octavia Foundation sought to design an approach which was based on tailoring the programme to the individual. This 'tailored' aspect of the service was mentioned positively by all the clients interviewed, some contrasted this with the 'one size fits all' approach of other employment programmes they had experienced. The flexibility of the service was characterised and enhanced by:



This 'tailored' aspect of the service was mentioned positively by all the clients interviewed

“ ”



Tomaz is married and has one daughter aged 10. He is from Croatia and came to England 12 years ago. He lives in a flat owned by Genesis Housing, and contacted Westminster Works after seeing their leaflet in the reception area of Genesis Housing. Tomaz had been out of work for nine years when he was put in touch with the Octavia Foundation programme. He had a history of substance misuse problems and later attended a rehabilitation programme. His wife had also been out of work for a number of years.

'I look back and I know it was very hard for my family, especially my daughter. What must she have thought of me?'

“ ”

He attended half a dozen 1-1 sessions with the Octavia Foundation Employment Advisor, working on his CV and interview techniques. They talked about his

options and decided that given his time out of work, an apprenticeship may be a good route back to employment.

With mentoring on his applications, he secured an apprenticeship with St Mungos Housing in a hostel for people with mental health problems. He continued to have contact with the Employment Advisor for several months after his placement. Six months later, Tomaz secured a permanent job with St Mungos, and today still works for the housing provider. He says he feels 'very lucky to be doing a job I like and which is useful'. He thinks his own experience helps in his work but says he knows this could work against him - he keeps 'checking that he isn't taking on other peoples' problems'. His wife has also found work and they have started to discuss future housing options:

It [finding work] has changed my life, but more in lots of little ways that add up together. I can shop in supermarkets and not worry about paying. Things like that. It's early days but we've started talking about maybe shared ownership. Our own place.

“ ”



The programme met or exceeded all other output targets...



FOUR

What we achieved (outputs⁸)

Because of its tailored approach, the Octavia Foundation's programme did not meet the condition of seeing all clients for at least six hours. In practice, some clients were seen for more or less time, depending on need. The programme took the view that it was important to retain its tailored approach rather than be target driven in this respect.

The programme met or exceeded all other output targets (for training, volunteering and placements) set by Westminster Works (see fig 1).

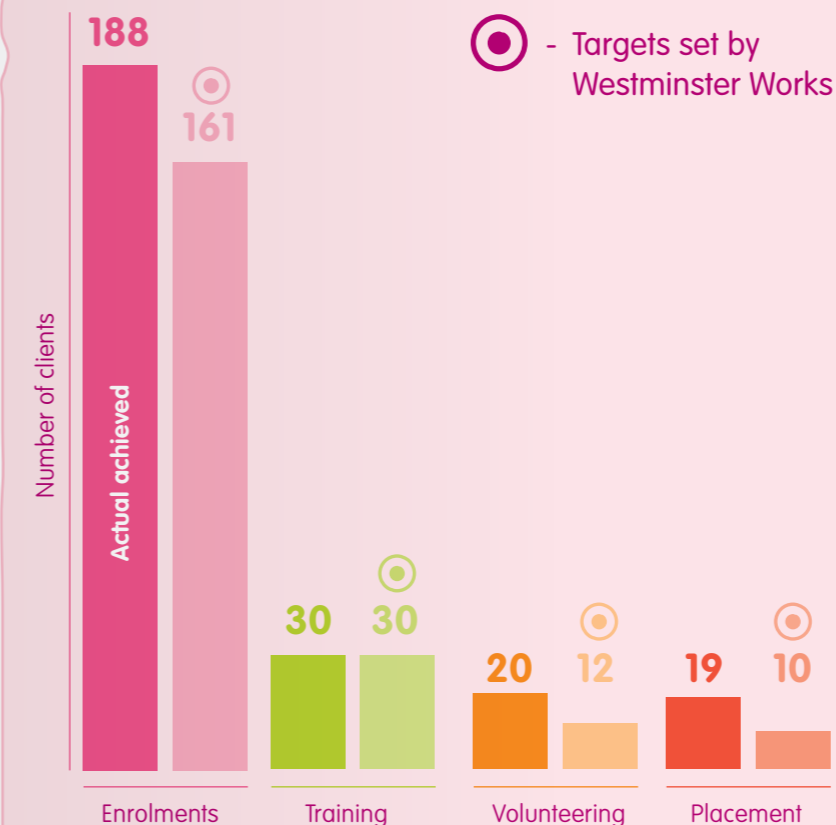
In addition to the outputs against set targets, advice and guidance was provided to others who contacted the service but did not (for whatever reason) enrol for the programme.



8. In line with the programme's funding, 'Outputs' in this report is defined as performance against targets set by the funders.

Octavia Foundation's employment programme

Fig 1.



Tamara is 41, a single mother with a daughter aged ten, and lives in a shared ownership property. She had worked since her twenties and for the same employer for 10 years before being made redundant in 2008. By 2010, her redundancy pay was running out and her worries over money and her ability to pay for her accommodation grew. Having worked all her adult life, she worried about her confidence and other people's perception of her:

'My daughter always knew me as a working mum. That was really important. My family all live abroad, so it's just her and me. For months I didn't even tell my daughter I'd lost my job. I didn't want her to grow up on benefits, and I worried that she could

Tamara had been part of other employment help programmes but found them too rigid, requiring her to attend for help with areas where she was already skilled. Tamara considered her work options and decided to pursue opportunities within social housing. She wrote to 30 housing associations enquiring about volunteer placements ('to get my foot in the door') – she received one response, from the Octavia Foundation.

I'm a very driven person but looking back I think you get down. I thought I might lose my home and I was anxious about everything. I'm back to my upbeat self now. Wray [the Employment Advisor] changed my life.

After three months in the Octavia Foundation programme and several 1-1 sessions, Tamara applied for and secured a volunteer placement with a Housing Association as an administrator. About a year later she secured a paid full time post in resident liaison for the same association and she still works there today.



Paulo
case-study



Paulo is 34, married with no children. He lives with his wife in a privately rented studio flat in north Westminster. He is from Bolivia and came to the UK 10 years ago as a student. His wife is also Bolivian and they both miss their home country and family in Bolivia. Despite problems in recent years with work and money, they still think the UK offers better economic prospects:

'I miss Bolivia but I stay for family back home. It's not good back home for work. When I work here, I send money back. I help my family then.'

Paulo had been in periodic retail work since finishing his studies. He had been out of work for four months when he saw an advert in the local newspaper about Westminster Works. He saw the Octavia Foundation Employment Advisor about twice a month on a one to one basis

over three months and also attended some workshops. He said he found the customer care discussions in the workshop really helpful given his area of work. The role-plays helped to improve his confidence at interviews and retail selling.

Within three months of coming into the programme, Paulo found work with a high street retailer. He has worked continuously for the last 18 months, progressing through three different jobs as better opportunities arose. He now works for the sales team at Ferrari. He says he is more confident about the future, and has started thinking about different types of work (perhaps using his language skills - he speaks fluent Spanish and Portuguese).

He and his wife had wanted to start a family for some time but felt they couldn't afford this. Now they are thinking about this seriously:

Family is important in my culture. Now maybe I can. My wife was working part-time when I wasn't. That was hard. In my culture, I should look after her.



188 people enrolled for the Octavia Foundation programme, 36 of whom were helped into work

THREE: What we did (inputs) - Go to page 10 for details

interviewees spoke about immeasurable positive impacts to their confidence, self esteem, health and family life.

FIVE

Outcomes



Into work

The programme exceeded its targets for the numbers of people into work, and numbers of people into sustained work:



Into sustained work (6 months plus)



Job readiness

We have not sought to monetise the wider value of moving people closer to paid work in this report. However, many of the clients who had not achieved employment by the end of the programme, nevertheless, took important steps towards work. The indirect benefits, particularly for those who took part in volunteering, training and work placements, include:



Wellbeing

We also have not included in the final SROI ratio, the broader value of moving people into work linked to wellbeing for the family (other than health benefits for the person helped into work) due to the lack of sector standard financial proxies for these values. However, we hope the wider social value of the programme is in some way illustrated by the case studies in this report. Many interviewees spoke about immeasurable positive impacts to their confidence, self esteem, health and family life.

SROI

SIX

Social Return on Investment Ratio

SROI is a principles-based method. Currently, there is no prescribed method to calculate the SROI ratio or standard financial proxy sets agreed by SROI researchers or routinely adopted by organisations. In this context, we chose to use a 'conservative' approach to be confident that we have not over-claimed on the SROI ratio.

Section definitions:

9. Social Return on Investment of Ready for Work (Business in the Community, 2012)
10. 'Drop off' is a percentage assumed to calculate the decreasing impact of the agent of change. 50% each year for a period is commonly used.
11. Future Jobs Fund (CESI, 2011), Kibble Works (Lodstar, 2007), Measuring the Value of Real Jobs (SDCMH, 2010), Access Enterprise (Liverpool JM University, 2011), Social Return on Investment of Ready for Work (Business in the Community, 2012), Target Opportunities Project (Cheeseman, 2009).
12. 'Deadweight' is a discounted percentage for what might have happened regardless of the intervention.
13. 'Attribution' is a discounted percentage for the contribution of other agencies towards the change in addition to the impact made by the primary agent of change.

What we included

Since we did not have fully comprehensive information on household composition, length of sustained employment or part-time working, where necessary, data was borrowed from the government's Ready for Work SROI⁹:

- ✓ We took the lowest rate of Jobseeker's Allowance (JSA) for a single person and the JSA rate for a couple, and used the mean average of these two figures as average basic income from state benefits if out of work.
- ✓ We added Housing Benefit, basing this on the average rent figures for social housing in London.
- ✓ We subtracted 17% (a percentage taken from Ready for Work's SROI in the absence of our own data on part time working) for estimated top up benefits being claimed whilst in part-time work.
- ✓ We added 16% (a percentage also taken from Ready for Work's SROI in the absence of our own data on part time working) for estimated Income Tax and National Insurance contributions.
- ✓ We included estimated indirect health benefits through savings to the NHS, using the financial proxy in the 2008 Department of Work and Pension's cost benefit analysis framework (£508 per person into work per year – we have applied no uplifts).
- ✓ In accordance with most SROIs, a five year projection is assumed with a 50% 'drop off'¹⁰ (tailing off of the programme's impact) each year. The length of projection and percentage drop off is commonly used in related SROIs from research carried out¹¹.



We did not include

- ✗ Child tax credit, council tax benefit, disability related benefits, or any other premiums.
- ✗ Indirect benefits other health benefits to the person helped into work, including any savings to the public purse due to improved family well-being, or value linked to increased purchasing power from increased incomes.
- ✗ 15% of the impact calculated as 'deadweight'¹² (what may have occurred in any case without the intervention), 20% is discounted as 'attribution'¹³ (the possible contribution of other agencies to the outcome). These percentage assumptions are also taken from the Ready for Work SROI.

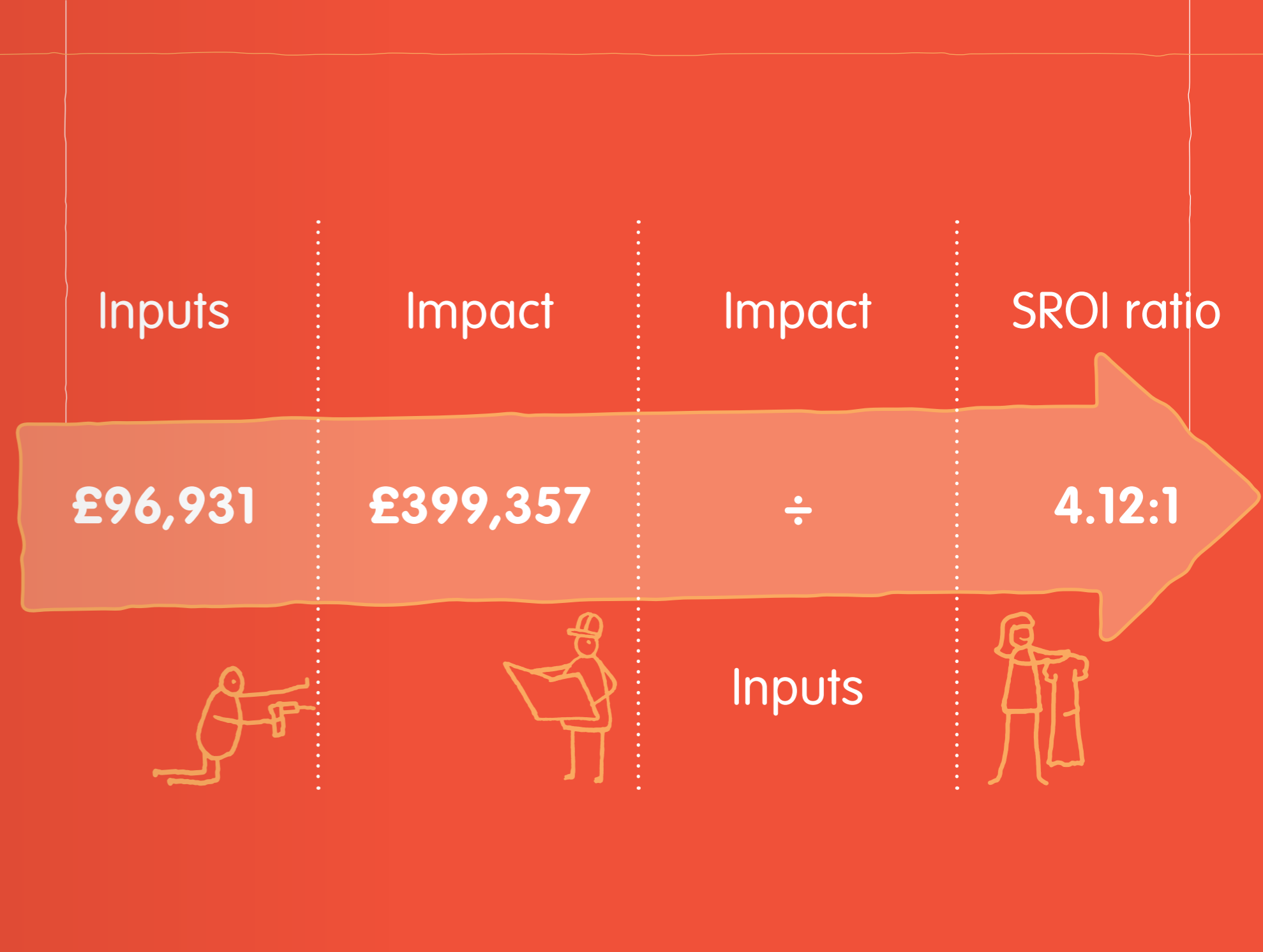


The inputs
£96,931

The contract price

The impact map

Yr	No. Into work	Benefits saved (JSA&HB)	Part time work 17% (-)	Income Tax & NI 16% (+)	Health benefit	drop off 50% (from prev. yr.)	deadweight 15% discount	attribution 20% discount	Net Impact
Yr 1	14	£121,023	£20,574	£16,072	£7,112	-	£18,545	£24,726	£80,361
Yr 2	14	£126,162	£21,448	£16,754	£7,112	£40,181	£19,287	£25,716	£123,758
Yr 3	8	£75,171	£12,779	£9,983	£4,064	£61,879	£11,466	£15,288	£111,564
Yr 4	-	-	-	-	-	£55,782	-	-	£55,782
Yr 5	-	-	-	-	-	£27,891	-	-	£27,891
Total									£399,357



The Octavia Foundation continues to deliver an employment and training programme.



In Conclusion



Although the programme funded by London Councils, European Social Fund and Westminster Councils came to an end in 2011, the Octavia Foundation continues to deliver an employment and training programme. The current programme (Future Foundations) is funded by Octavia Housing, and has specific targets to help Octavia Housing residents who are out of work into employment. The continued development of the programme is particularly important in the current context of extensive external change and challenge.

The Octavia Foundation employment and training programme is an extremely valuable project. In this SROI report we have monetised direct benefits and health benefits only. Despite this, the SROI ratio (4.12 : 1) demonstrates a significant social return for the investment made, and the case studies clearly illustrate the programme's positive impact to participants' wider well being and how their lives have changed.



I feel better in lots of ways. It's hard to put it in words. I think my daughter notices it too. I was kinda lost, tired, but now I'm a lot stronger. I can buy my daughter things she needs for school, proper Christmas presents. But it's not about having things. It's about the bigger picture. I lost that for a bit. Tomaz



It's great having colleagues who have faith in you, family and friends who have faith in you. They all look at you in a different way when you work. I have an appetite for life now, a buzzy feeling. Nothing seems impossible.

Laura



Appendix - Data sources used for SROI

A. Welfare benefits data – Department of Work and Pensions website:

2009/10 and 2010/11:

<http://www.dwp.gov.uk/docs/benefitrates2010.pdf>

2011/12 and 2012/13:

<http://www.dwp.gov.uk/docs/benefitrates2012.pdf>

Benefit per week	2009/10	2010/11	2011/12	2012/13
Job seekers allowance – Under 25	£50.95	£51.85	£53.45	£56.25
Job seekers allowance – couple, both over 18	£100.95	£102.75	£105.95	£111.45
Mean average of 2 allowances above	£75.95	£77.30	£79.70	£83.85

B. For average rent data (for Housing Benefit assumptions)– ‘Home Truths’, National Housing Federation:

2009/10:

http://www.housing.org.uk/system_pages/search.aspx?terms=home+truths+2010

2010/11:

http://www.housing.org.uk/system_pages/search.aspx?terms=home+truths+2011

Average London Registered Provider Rent	
2009/10	2010/11
£90.29	£96.00

Note: we do not have 2011/12 data onwards. For 2011/12 previous year's Sept RPI + 0.5% is added onto the 2010/11 average (i.e. £101.86 is assumed). A conservative 2.5% increase is assumed for the remaining 2 years.

C. For part-time work deduction and Income Tax & NI contribution percentage - Ready for Work SROI - Business in the Community

2009/10 benefits cost if none of clients are in work	2009/10 actual benefits cost (i.e. minus part time work top up benefits paid)
£1,908,121	£332,936

2009/10 Income Tax	2009/10 NI	2009/10 Net benefits saved	Total
£33,784	£23,451	£290,897	£348,132

D. For indirect health benefit – DWP Cost Benefit Analysis Framework

NHS cost saving for ex JSA client (per client per annum)	£508
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Notes

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- The theory of change is the objective of the work, project or programme - the difference sought from the work carried out, on which a social value is placed.
- In line with the programme’s funding, ‘Outputs’ in this report is defined as performance against targets set by the funders.
- Social Return on Investment of Ready for Work (Business in the Community, 2012)
- ‘Drop off’ is a percentage assumed to calculate the decreasing impact of the agent of change. 50% each year for a period is commonly used.
- Future Jobs Fund (CESI, 2011), Kibble Works (Lodstar, 2007), Measuring the Value of Real Jobs (SDCMH, 2010), Access Enterprise (Liverpool JM University, 2011), Social Return on Investment of Ready for Work (Business in the Community, 2012), Target Opportunities Project (Cheeseman, 2009).
- ‘Deadweight’ is a discounted percentage for what might have happened regardless of the intervention.
- ‘Attribution’ is a discounted percentage for the contribution of other agencies towards the change in addition to the impact made by the primary agent of change.



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Like more information?

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