

Consolidated Impact Report 2013/2014

A report on the estimated economic and social value created by Shepherds
Bush Housing Group

Title: Consolidated Impact Report 2013/2014: A report on the estimated economic and social value created by Shepherds Bush Housing Group
Author: CAN Invest
Published by: Shepherds Bush Housing Group
Date: August 2014
Location: London

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1. Executive summary

Shepherds Bush Housing Group ('SBHG') has been part of the west London community since 1968, adding value to their local communities through a wide range of services, not least of which is the provision of high quality homes.

The Group aims to be the best in London for their homes and services, by delivering their promises through excellent performance, being distinctive for what they do and how they do it, and providing a diverse range of services that reflect individual needs. Its priority is in delivering quality, affordable homes and creating strong communities. They do this with a range of services that help tackle the root causes of worklessness, build social inclusion, and help people live independently.

The primary entities of SBHG are *Shepherds Bush Housing Association* (SBHA), a registered social landlord (RSL), and *Staying First*, a registered charity and social enterprise. The Group's financial turnover was £45,717,000 in 2013/14 (2012/13: £42,760,000), and at the end of 2013/14, it managed housing stock of 5,065 dwellings (2012/13: 5,118), primarily in the London Borough of Hammersmith & Fulham, Ealing, Hounslow and Hillingdon but also in seven other London boroughs: Kensington & Chelsea, Brent, Kingston, Harrow, Wandsworth, Tower Hamlets and Richmond.

1.1 The SBHG Consolidated Impact Framework

SBHG commissioned CAN Invest, a leading UK social impact advisor, to help measure the wider value that the Group delivers for its stakeholders. CAN Invest developed a bespoke Consolidated Impact Framework to capture the value SBHG delivers for residents, other 'end-users' of its services, as well as for Local Authorities and other public bodies. This framework is conceptualised across three dimensions:

1. *SBHG Strategic Priority*: Value delivered by SBHG through its overarching economic impact, and through projects and services within 3 core priorities:
 - Green Growing and High Quality
 - Social Heart, Business Head and Local Impact
 - Delighting our Residents
2. *Value type*: Monetised estimates of the value created by SBHG, broken down where possible into:
 - Fiscal – cost savings to various public authorities
 - Economic – contribution to the UK economy
 - Social – additional value experienced by end users of projects, and society more generally
3. *Value chain*: The different ways in which SBHG can deliver value:
 - Direct – outcomes and value delivered through activity directly delivered by SBHG. For example, in providing affordable accommodation, the value would be the difference between market rent and the subsidised rent that SBHG offer.
 - Indirect – outcomes and value delivered through SBHG's involvement with suppliers and contractors. For example, this would be the spend on local suppliers leading to a boost in the local economy.
 - Enabled – outcomes and value delivered by another individual or organisation that are made possible due to SBHG's activity. For example, by helping perpetrators of anti-social behaviour to cease anti social behaviour, SBHG enables other residents to avoid a range of social costs and experience improved well-being

1.2 Headline Impacts

SBHG delivers a range of outcomes and creates significantly value through its activities. These are summarised as follows:

Estimated Economic Impact in 2013/14

- SBHG and its supply chain added £38,293,650 in Gross Value Added (GVA) to the UK economy.
- SBHG and its supply chain directly supported 398 jobs.

Estimated Social Impact in 2013/14

- SBHG *directly created* approximately £96,221,052 in social, fiscal and economic value for specific stakeholders
- SBHG *enabled* stakeholders to create a further £11,601,000 in social, fiscal and economic value for specific stakeholders.

Overall, and excluding expenditure on building new homes which will only create value fiscal and social in future reporting periods, SBHG is conservatively estimated to create indirect, direct and enabled value of £3.0 for each £1 spent in 2013/14.

GVA and social impact figures are not aggregated to avoid double counting. Accordingly, a breakdown of types of social value created by source and type is provided in

Figure 1, Figure 2 and

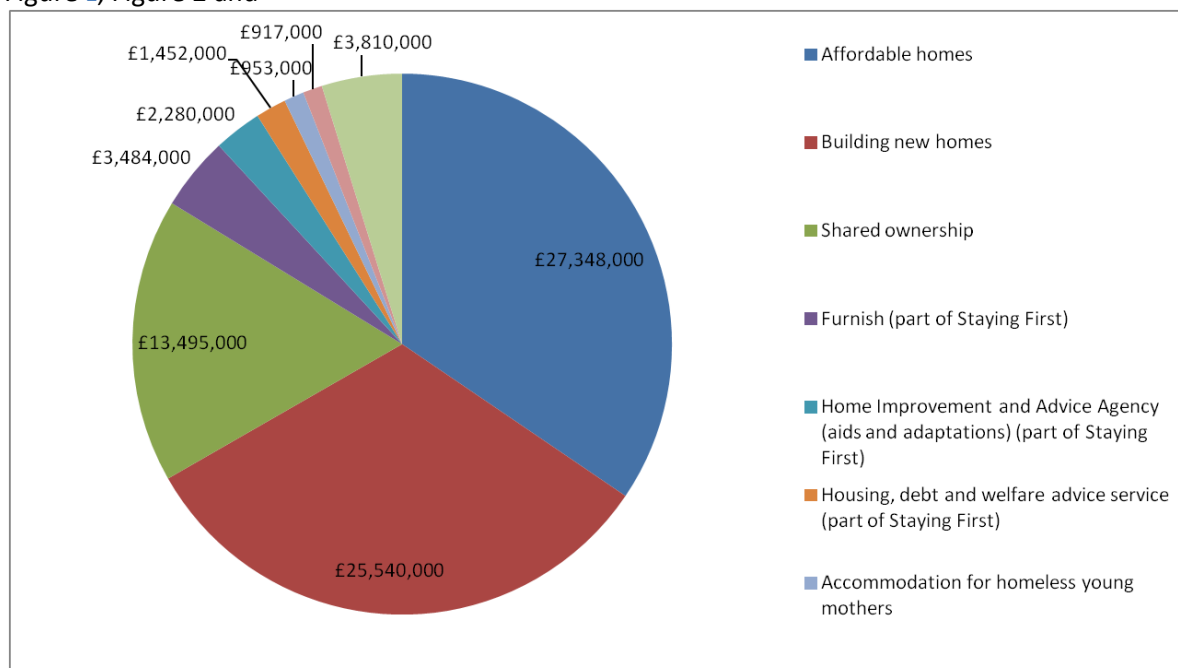


Figure 3 below.

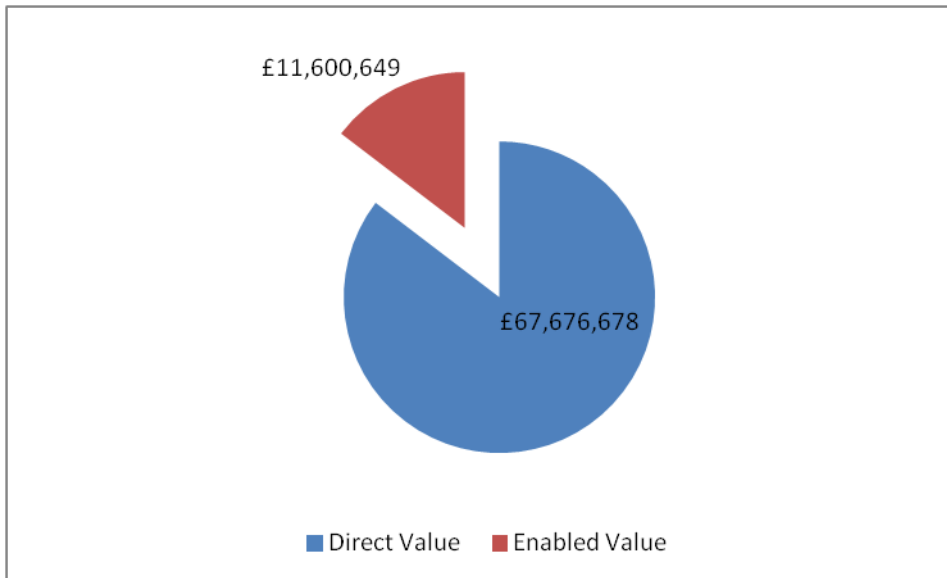


Figure 1. Value created by SBHG projects in 2013/14 (breakdown by source of value).

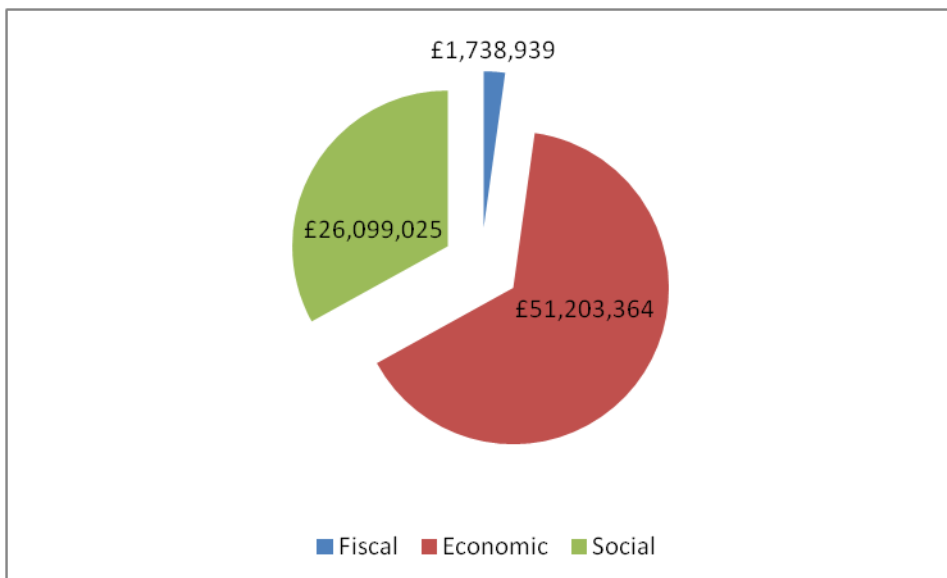


Figure 2. Value created by SBHG projects in 2013/14 (breakdown by type of value).

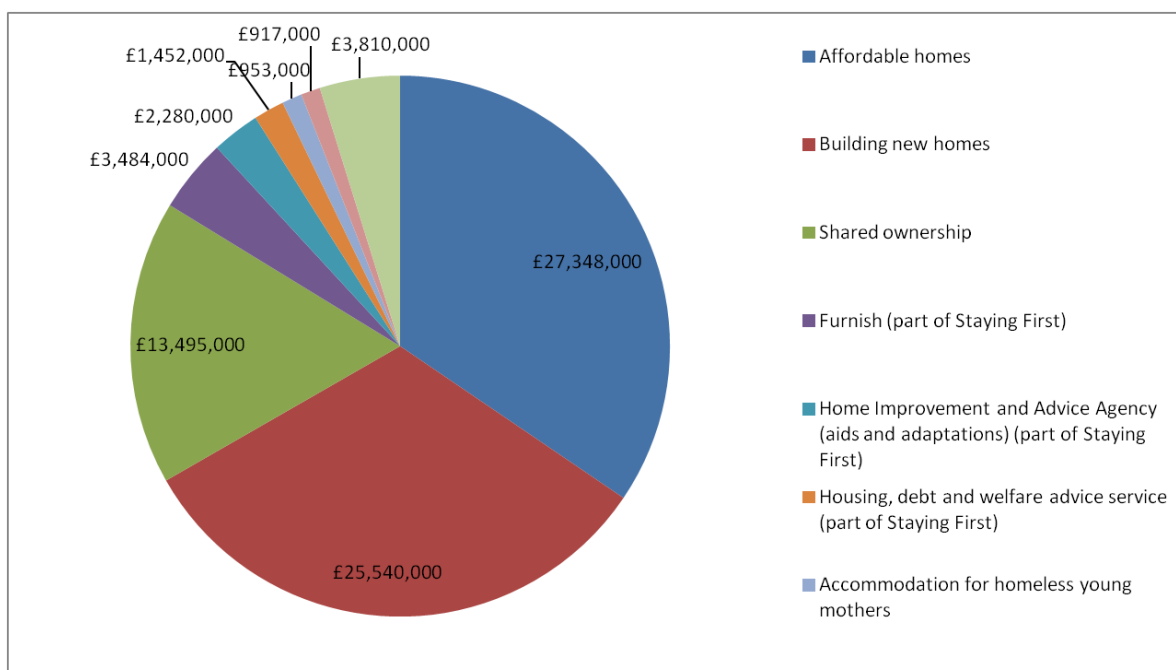


Figure 3. Total value created by SBHG in 2013/14 (breakdown by top 8 projects).

In terms of total value created, the following projects are noteworthy:

- SBHG's affordable homes provision (a total value creation of £27,414,000 direct and enabled value created).
- SBHG's building new homes scheme (total value creation of £25,540,000), which is a direct economic benefit to the residents. When these sites become operational their additional outcomes are incorporated within other strategic priorities (e.g. affordable homes).
- SBHG's shared ownership scheme (a total value creation of £13,495,000).
- SBHG's furniture and appliance re-use enterprise, which is owned and operated by Staying First, Furnish (a total value creation of £3,484,000). This value creation incorporates a range of fiscal, economic and social value.

Project	Cost	Direct Value	Enabled Value	Total Value	CBR	% Total value	Cumulative % total value
Affordable homes	£14,861,000	£27,348,000	£0	£27,348,000	1.8	34.5%	34%
Building new homes	£25,539,868	£25,540,000	£0	£25,540,000	1.0	32.2%	67%
Shared ownership	£5,007,000	£4,600,000	£8,895,000	£13,495,000	2.7	17.0%	84%
Furnish (part of Staying First)	£2,747,744	£3,110,000	£374,000	£3,484,000	1.3	4.4%	88%
Home Improvement and Advice Agency (aids and adaptations) (part of Staying First)	£1,342,605	£2,280,000	£0	£2,280,000	1.7	2.9%	91%

Housing, debt and welfare advice service (part of Staying First)	£407,111	£387,000	£1,065,000	£1,452,000	3.6	1.8%	93%
Accommodation for homeless young mothers	£456,000	£866,000	£87,000	£953,000	2.1	1.2%	94%
Supported housing for young people	£853,000	£917,000	£0	£917,000	1.1	1.2%	95%

Table 1. SBHG projects listed by total value added

The following projects are of particular note for their high cost benefit ratios:

Project	Cost	Direct Value	Enabled Value	Total Value	CBR
InComE	£90,000	£466,000	£0	£466,000	5.2
Housing, debt and welfare advice service (part of Staying First)	£407,111	£387,000	£1,065,000	£1,452,000	3.6
Shared ownership	£5,007,000	£4,600,000	£8,895,000	£13,495,000	2.7
Private settled accommodation	£210,131	£467,000	£21,000	£488,000	2.3
Accommodation for homeless young mothers	£456,000	£866,000	£87,000	£953,000	2.1
STEP	£15,000	£0	£30,000	£30,000	2.0
Employment, Training, Volunteering	£440,000	£341,000	£517,000	£858,000	2.0
Affordable homes	£14,861,000	£27,348,000	£0	£27,348,000	1.8

Table 2. Top SBHG projects by CBR

Of these projects:

- SBHG's shared ownership scheme (total value CBR of £2.7) enables significant value creation for people on lower incomes by facilitating their entry to the property market.
- The high CBR of SBHG's flagship provision of affordable homes (total value CBR of £1.8) is driven primarily by SBHG's work providing low-cost housing in very expensive property markets in Inner West and Outer West London.

The headline impact valuations are likely to be conservative for several reasons, including the fact that some of the more intangible outcomes for each project were not valued. In some instances, this was due to lack of data suitable for analysis this year. Additionally, 'impact discount factors' were applied, as individuals supported to achieve outcomes in their own lives receive support from multiple agencies, not just SBHG. For instance, we have assumed that SBHG takes at most 50% of

the credit or ‘attribution’ for value created for end users supported one-to-one through various projects, because these people will also receive support from other organisations.

1.3 Summary of Activities and Impacts

This impact report estimates the value that SBHG creates through projects and services under three of its key strategic priorities (Green Growing and High Quality, Social Heart, Business Head and Local Impact, Delighting our Residents). It also estimates the overarching impact that SBHG has in aggregate on the UK economy.

1.3.1 Overarching economic impact

SBHG has substantial positive impact on the UK economy through its activities considered in aggregate, as follows:

	Direct	Indirect
Gross value added (GVA)	£28,543,000	£9,750,650
Employment: Jobs supported	243	155

Table 3. Estimated economic value created in aggregate by SBHG.

This impact should not be aggregated with specific impact for targeted stakeholders, to avoid double counting of some projects’ value.

1.3.2 Green Growing and High Quality

This report estimates the value of the following Projects delivered by SBHG under its Green Growing and High Quality strategic priority.

Green Growing and High Quality Projects	Description of activity in 2013/14
Affordable homes for rent	Provided 3,208 rental homes in 11 boroughs throughout west London at affordable levels.
Shared ownership	Continued to help 954 households in home ownership, by offering new homes to own on a part buy/part rent 'share' basis, and opportunities for residents to buy further 'shares' in their homes when they can afford to do so until they own their homes outright.
Private settled accommodation	Managed a portfolio of 548 homes throughout west London on behalf of private landlords
Supported housing for elderly	Supported 73 elderly residents to live independently, in one-bedroom flats with access to communal gardens, adaptations for disabled living, and with an enhanced housing management services.
Supported housing for young people	Provided 49 young people with supported housing in self-contained flats, with dedicated support workers, and bespoke support programmes to help them into education, training and employment.
Accommodation for homeless young mothers	Provided 40 young mothers who were homeless, with accommodation and support to develop parenting and domestic skills, and access entitlements and health and community services, in order to live independently.
Affordable New Homes	<p>Developing further sites and building new homes.</p> <p>1 development was completed:</p> <ul style="list-style-type: none"> - Girdlers Road, Hammersmith & Fulham (6 homes) <p>5 sites under development:</p> <ul style="list-style-type: none"> - Irish Cultural Centre, Hammersmith & Fulham (18 homes) - Bentley, Hillingdon (29 homes) - London Road, Hounslow (20 homes) - The Griddle, Hillingdon (9 homes) - Horsenden, Ealing (13 homes)

Table 4. Description of Green Growing and High Quality Projects

The summary of estimated value (rounded to the nearest £1000) created through these projects is outlined as follows:

	Investment	Indirect Value		Value Directly Created			Additional value Enabled				CBR Total Value Created
	Cost	Economic	Fiscal	Economic	Social	Total	Fiscal	Economic	Social	Total	
Affordable homes	£14,861,000		£0	£7,424,000	£19,923,000	£27,348,000	£0	£0	£0	£0	£1.8
Shared ownership	£5,007,000		£0	£4,600,000	£0	£4,600,000	£0	£8,895,000	£0	£8,895,000	£2.7
Private settled accommodation	£210,131		£0	£467,000	£0	£467,000	£1,900	£0	£19,000	£21,000	£2.3
Supported housing for elderly	£345,000		£0	£443,901	£3,787	£448,000	£0	£0	£101,178	£101,000	£1.6
Supported housing for young people	£853,000		£80,939	£834,000	£2,000	£917,000	£0	£0	£0	£0	£1.1
Accommodation for homeless young mothers	£456,000		£51,000	£0	£815,000	£866,000	£5,100	£0	£82,000	£87,000	£2.1
New home development	£25,539,868		£0	£25,540,000	£0	£25,540,000	£0	£0	£0	£0	£1.0
Sub-Total (Green Growing and High Quality)	£47,271,999		£131,939	£39,308,901	£20,743,787	£60,186,000	£7,000	£8,895,000	£202,178	£9,104,000	£1.5

Table 5. Value created by SBHG projects under its Green Growing and High Quality strategic priority.

1.3.3 Social Heart, Business Head and Local Impact

The following projects, within SBHG’s Social Heart, Business Head and Local Impact agenda, are valued in this report:

Social Heart, Business Head and Local Impact Projects	Description of activity in 2013/14
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Staying First is a charity and social enterprise, which is part of SBHG, that supported 3,700 vulnerable members of the community through four projects:	
Home Improvement Agency (aids & adaptations) ¹	Provided <i>aids and adaptations</i> for disabled and other residents to move more freely within their homes, including hand rails and stair-lifts.
Housing, debt and welfare advice service ¹	Provided advice to people facing financial difficulties, tribunal hearings, or seeking missing entitlements.
Small repairs service ¹	<i>Small repairs</i> for low-income households, including minor plumbing, small electrical jobs, glazing and carpentry, and light bulb/smoke alarm replacements
Furnish ¹	An innovative service that makes collections of donated furniture, and sells house goods at a Shepherds Bush vintage and re-use shop (Furnish @ West 12), with 25%-40% discounts for low-income families
ASB specialist service	Tackles cases of anti-social behaviour affecting a range of households through a dedicated ASB team.
Domestic violence support service	Supports individuals to cope with the impact of domestic violence, through one-to-one support, weekly surgeries and peer support groups. Provided financial support to specialist domestic violence charities.

Table 6. Description of Social Heart, Business Head and Local Impact Projects

The summary of estimated value created (rounded to the nearest £1,000) through these projects is outlined as follows:

	Investment		Indirect Value		Value Directly Created			Additional value Enabled			CBR Total Value Created	
	Cost		Economic	Fiscal	Economic	Social	Total	Fiscal	Economic	Social		Total

¹ A project run by Staying First, a registered charity and social enterprise that is part of SBHG.

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Home Improvement Agency (aids and adaptations) (part of Staying First)	£1,342,605		£0	£2,086,000	£195,000	£2,280,000	£0	£0	£0	£0	£1.7
Housing, debt and welfare advice service (part of Staying First)	£407,111		£0	£69,000	£317,000	£387,000	£0	£431,000	£244,035	£1,065,000	£3.6
Small repairs service (part of Staying First)	£178,783		£0	£25,000	£412,000	£436,000	£0	£0	£0	£0	£1.1
Furnish (part of Staying First)	£2,747,744		£290,000	£147,000	£2,436,000	£3,110,000	£351,000	£23,000	£0	£374,000	£1.3
ASB specialists	£225,000		£0	£0	£0	£0	£20,000	£0	£393,000	£413,000	£1.8
Domestic violence	£257,000		£93,000	£47,000	£61,000	£201,000	£1,273,000	£0	£0	£0	£0.8
Sub-Total (Social Heart, Business Head and Local Impact)	£5,158,243		£383,000	£2,374,000	£3,421,000	£6,414,000	£371,000	£454,000	£1,026,000	£1,852,000	£1.6

Table 7. Estimated value created by SBHG projects under its Social Heart, Business Head and Local Impact strategic priority.

1.3.4 Delighting our Residents

This report estimates the value of the following Projects delivered by SBHG under its Delighting our Residents strategic priority:

Delighting our Residents Projects	Description of activity in 2013/14
Employment, Training & Volunteering Service	Supported 71 volunteers, including regular supervisions, tailored training and referrals to STEP (see below). Supported 26 apprentices through direct employment on a range of SBHG projects, including Staying First and Nurseries.
Church Street Nursery	Provided 6 training opportunities and 9 employment opportunities to operating sessional and full day care in a 20-place nursery for children aged 2 to 5 years.
InComE	I ndependence, A ccommodation, E mployment – Supported 101 adults on the journey of securing employment,

	moving out of overcrowded social housing into their own affordable flats, and then building salary before moving into private housing.
Into Work, Into Housing	Helped 3 households on the journey of securing employment, and then moving from temporary accommodation into permanent homes.
STEP	Support To Employment Programme – provided group training and one-to-one support to help 117 people secure education qualifications and employment

Table 8. Description of Delighting our Residents Projects

The summary of estimated value created (rounded to the nearest £1,000) through these projects is outlined as follows:

	Investment	Indirect Value	Value Directly Created				Additional value Enabled				CBR Total Value Created
	Cost	Economic	Fiscal	Economic	Social	Total	Fiscal	Economic	Social	Total	
Employment, training & volunteering Service	£440,000		£0	£0	£341,052	£341,052	£340,000	£128,000	£49,000	£517,000	£2.0
Nurseries (Church Street)	£271,000		£0	£0	£271,000	£271,000	£32,000	£16,000	£24,000	£73,000	£1.3
InComE	£90,000		£437,000	£17,000	£12,000	£466,000	£0	£0	£0	£0	£5.2
Into Work, Into Housing	£28,500		£0	£0	£0	£0	£21,000	£2,463	£2,009	£25,000	£0.9
STEP	£15,000		£0	£0	£0	£0	£16,000	£8,000	£7,000	£30,000	£2.0
Sub-Total (Delighting our Residents)	£844,500		£437,000	£17,000	£624,052	£1,078,052	£409,000	£154,463	£82,009	£645,000	£2.0

Table 9. Estimated value created by SBHG projects under its Delighting our Residents strategic priority.

1.4 Looking Ahead

SBHG is highly focussed on operational delivery and creating value for money. CAN Invest has provided a series of recommendations to ensure that ongoing impact measurement can assist with this priority. These recommendations focus on helping SBHG to more effectively identify and measure further outcomes of its work on an ongoing basis, and to consider in technical impact terms the wider context of change in which outcomes are delivered.

More generally, we hope that this impact report helps SBHG to better conceptualise and estimate its likely future impact, and thereby assist SBHG to achieve its strategic priorities through 2016, to continually enhance the economic and social value it creates for all its stakeholders, and to continue to manifest its vision of being 'delivering, distinctive, diverse' in meeting community needs in west London.

2. Introduction

Shepherds Bush Housing Group ('SBHG') has been part of the west London community since 1968, adding value to their local communities through a wide range of services, not least of which is the provision of high quality homes.

The Group aims to be the best in London for their homes and services, by delivering their promises through excellent performance, being distinctive for what they do and how they do it, and providing a diverse range of services that reflect individual need. Its priority is in delivering quality, affordable homes and creating strong communities. They do this with a range of services that help tackle the root causes of worklessness, build social inclusion, and help people live independently.

The Group is comprised of three entities:

- Shepherds Bush Housing Association (SBHA), a charitable registered social landlord (RSL),
- Staying First, a registered charity and social enterprise that is part of SBHG and,
- SBH Developments Limited (currently inactive), a nonregistered company wholly controlled by SBHA.

The Group's financial turnover was £45,717,000 in 2013/14 (2012/13: £42,760,000), and at the end of 2013/14, it managed housing stock of 5,065 dwellings (2012/13: 5,118).

- 3,208 homes for general needs
- 381 homes for supported housing
- 497 homes for temporary housing
- 897 homes for leaseholds
- 82 other properties, including non-housing stock.

These homes are based primarily in the London Borough of Hammersmith & Fulham, Ealing, Hounslow and Hillingdon but also seven other London boroughs: Kensington & Chelsea, Brent, Kingston, Harrow, Wandsworth, Tower Hamlets and Richmond.

There is a growing evidence based that Housing Associations can have a significant positive social impact for their residents, service users, public authorities and UK society at large (Trotter, Vine, Leach, & Fujiwara, 2014). This impact can include outcomes as varied as:

- A reduction in homelessness and the number of children in care
- Improved well being of adults and children, leading to increased confidence / self-esteem; and reduced need for health services
- Increased employment, leading to reduced dependence on welfare benefits and social housing
- Reduced drug abuse and alcohol dependency, leading to reduced health and criminal justice costs
- Reduced persistent truancy, leading to improved health, reduced crime, increased earnings
- Improved educational outcomes of residents and service users, leading to increases in earnings amongst residents.

SBHG provides a range of services that help produce similar outcomes, but to date has not produced a consolidated understanding of the impact they deliver. To that end, SBHG commissioned CAN Invest to develop an Impact Framework to conceptualise SBHG's impact, and to provide an estimate of the social and economic value it creates for its stakeholders.

2.1 CAN Invest

CAN Invest is a leading social impact advisor for UK charity, social enterprise and other social-purpose organisations. CAN Invest is a business unit of CAN, a registered charity trading as a social enterprise which provides capital, skill and premises to help charities and social enterprises create a thriving social economy. CAN manages social investment funds, social investment readiness and social impact services, and operates CAN Mezzanines – high quality managed office space for charities and social enterprises.

The authors of this report are Rohan Martyres, Ben Pearce, Lovedeep Vaid, Dave Masom and Richard O'Brien. They would like to thank all the SBHG staff who helped in the preparation of this report, and Joanna Charlton in particular for her prompt and effective support.

2.2 Impact reporting

Impact reporting can take a number of forms and can follow a variety of methodologies. At their heart, the majority of these approaches attempt to identify and quantify *outcomes* achieved for different *stakeholder* groups through the organisation in question's activities, which are quantified by their *outputs*. In some methodologies, these outcomes are also *valued* to enable comparison, aggregation and a 'common unit' which can be used to communicate value. See the insert box for further details.

Impact reporting differs from other forms of reporting (such as evaluation, customer feedback, and financial reporting) in that it aims to quantify the overall value delivered for different stakeholders as a result of SBHG's activities, not just report on what activities have been undertaken, beneficiaries' satisfaction of these activities, or the organisation's financial performance.

SBHG commissioned CAN Invest to help them formalise and articulate their impact reporting. We developed a bespoke methodology and impact framework for SBHG that is appropriate to the breadth of the Group's activities (see below for further details).

The remainder of this report provides:

- An overview of the bespoke SBHG Impact framework
- Descriptions of key SBHG projects and their outcomes
- The estimated value of the social and economic impact these deliver
- Recommendations which, if implemented, will improve the quality and robustness of SBHG's impact measurement and reporting
- Details of the methodology employed, caveats and assumptions made

Impact – Key Concepts

Outcomes: *the changes that occur for individuals or organisations as a result of SBHG activities. They can be positive or negative, intended or unintended.*

Stakeholder: *Someone who materially affects or is affected by SBHG's activities.*

Outputs: *Immediate, direct and 'countable' ways to describe SBHG activities*

Valuation: *the process of putting a financial-equivalent value on an outcome to estimate their worth to particular stakeholders.*

3. SBHG Impact Framework

The bespoke SBHG Impact framework incorporates a multi-dimensional understanding of impact value. The primary three dimensions are:

- SBHG Strategic Priority: Green Growing and High Quality, Social Heart, Business Head and Local Impact, Delighting our Residents, and additional impact areas
- Value type: fiscal, economic and social
- Value chain: direct, indirect and enabled

Strategic Priorities

Each Strategic Priority is delivered through a range of SBHG projects that require costs to run but deliver different types of value.

Value type

SBHG's projects create different types of value. This report identifies and provides monetised estimates of the value created by SBHG, broken down where possible into:

- *Fiscal* – cost savings to various public authorities
- *Economic* – contribution to the UK economy
- *Social* – additional value experienced by end users of projects, and society more generally

Value chain

SBHG can be involved in different ways in value creation. We split value creation into three types:

- *Direct* – outcomes and value delivered through activity directly delivered by SBHG. For example, in providing affordable accommodation, the value would be the difference between market rent and the subsidised rent that SBHG offer.
- *Indirect* – outcomes and value delivered through SBHG's involvement with suppliers and contractors. For example, this would be the spend on local suppliers leading to a boost in the local economy.
- *Enabled* – outcomes and value delivered by another individual or organisation that are made possible due to SBHG's activity. For example, in providing affordable accommodation, SBHG allows residents to live in an area that they would otherwise not be able to.

By considering each of these elements of SBHG's 'value chain', SBHG can understand the total value it generates for its stakeholders. In particular, as an organisation which often delivers 'second tier' impact – i.e. facilitates the impact of others, an understanding of SBHG's enabled impact is of particular importance.

A summary diagram of SBHG's impact framework is provided in Table 10 below.

Type of Value	Source of Value		
	Direct	Indirect	Enabled
Social Value – Improvements in well-being, social inclusion and other social outcomes	Value created directly by SBHG controlled services	Value created indirectly, by suppliers and contractors funded by SBHG	Value created by others such as residents, but enabled by SBHG
Economic Value – Gross value added (GVA) to the UK Economy, and jobs supported	Jobs supported and contribution to the UK economy made <i>directly</i> by SBHG, and <i>indirectly</i> by SBHG-funded suppliers and contractors		

Table 10. SBHG Impact Framework

Framework development and valuation process

Although this impact framework is bespoke, it has been informed by The Crown Estate's 'Total Contribution' approach (The Crown Estate, 2013), as well as our own work on Landmarc's 'The Landmarc Difference' Impact Report (CAN Invest, 2013). We have also utilised New Economy Manchester's unit costs database to identify savings to the State through SBHG's activities (New Economy Manchester, 2014).

We have converted the data, where possible, into financial equivalents to allow SBHG to more easily communicate its aggregate impact.

To provide conservative estimates, and minimise the extent to which SBHG may *over-claim* for its value, impact discount factors were considered on an outcome-by-outcome, project-by-project basis.

*Impact Discount Factors include attribution and deadweight. **Attribution** is the extent to which any outcomes achieved are due to the work of SBHG rather than other agencies or organisations. **Deadweight** is the extent to which identified outcomes would have happened anyway, without the intervention of SBHG.*

The Cost Benefit Ratio (CBR) is a ratio of the monetised value of the project's benefits to the cost of implementing the project. A CBR < 1 suggests that the project costs more than it achieved and is not beneficial. A CBR of 1 is the breakeven point at which the benefits achieved exactly match the costs incurred. A CBR > 1 is beneficial, as the benefits it delivers outweigh the costs of delivery.

The output data used in this report was provided by SBHG, and no independent verification of this data was undertaken by CAN Invest.

Where possible, the value of SBHG projects is expressed as a cost benefit ratio (CBR). Valuation methodologies for specific projects are provided in Section 7 below.

4. Overarching economic impact

The specific outcomes delivered and value created through projects to deliver SBHG's three core strategic priorities are outlined in Sections 5.1, 5.2 and 5.3 below. This section focuses on the overarching economic contribution of SBHG, through employment and general impact on the UK economy.

4.1 Employment

SBHG directly employed on average 243 people on a full-time basis in 2013/14 (2012/13: 218).

In 2013/14 SBHG paid £7,319,000 in wages and salaries for these employees (2012/13 £6,595,000).

We estimate that SBHG indirectly kept 155 people in full-time work in 2013/14 through its supply chain (2012/13: 279). This was calculated by multiplying SBHG's spend in each industry sub-sector by publicly available data on the average 'job intensity' of spend for each industry.

4.2 Gross Value Added

Gross Value Added (GVA) is an economic measure which can be used to measure the impact of SBHG's activities on the economy.

In 2013/14, SBHG's Direct GVA was £28,543,000 (2012/13: £23,406,000). This was calculated as SBHG's 'output' less its 'intermediate consumption' (see methodology section for further details).

In FY2013/14, SBHG's estimated Indirect GVA, created through expenditure on contractors and suppliers, was £9,750,650 (2012/13: £17,039,164). This is calculated by classifying SBHG's suppliers and contractors by industry and then multiplying SBHG's total expenditure for each industry by average GVA ratios to estimate SBHG's overall Indirect GVA. The average GVA ratio (% of expenditure that adds value) for the UK economy as a whole is 29%. The weighted average for SBHG across its supply chain was 51% for 2013/14 (2012/13: 51%). This means that SBHG creates greater value for the UK economy per £1 than the average company.

Please see methodology section 7.5 for more information on indirect employment and direct GVA and indirect GVA calculations.

5. Outcomes & Valuations

This section outlines in detail each SBHG project, the outcomes it delivers, and a monetised estimate of the value created.

5.1 Green Growing and High Quality

5.1.1 Affordable homes

In 2013/14, SBHG managed 3131 dwellings for general needs housing, provided to tenants at a social rent level (below market rent) in nine London boroughs: Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Hounslow, Kensington and Chelsea, Kingston upon Thames, and Richmond upon Thames) in 2013/14.

	Brent	Ealing	Hammersmith and Fulham	Harrow	Hillingdon	Hounslow	Kensington and Chelsea	Kingston Upon Thames	Richmond Upon Thames	Total
Beds	-	4	48	-	-	13	15	-	-	80
1 Bed	-	76	996	-	25	142	27	-	2	1,268
2 Bed	22	117	696	7	56	191	37	-	-	1,126
3 Bed	4	53	300	-	38	93	-	1	2	491
4 Bed	-	8	108	-	10	26	-	-	-	152
5 Bed	-	-	6	-	-	4	-	-	-	10
6+ Bed	-	1	2	-	-	1	-	-	-	4
Total	26	259	2,156	7	129	470	79	1	4	

Table 11. SBHG general needs dwellings 2013/14

SBHG also managed a further 77 dwellings at Affordable rents² (higher than social rent) below the market value in three boroughs (Hammersmith and Fulham, Hounslow and Ealing).

	Ealing	Hammersmith and Fulham	Hounslow	Total
1 Bed		2	49	51
2 Bed			7	7
				58
				18

² The Homes and Communities Agency define 'affordable' rents as rents that are a maximum of 80% of market rents in reference localities (HCA, 2014). However, as all of SBHG's homes meet this criteria, the term 'affordable' can be used by SBHG in a non-technical sense without misleading.

	3	10	5	
3 Bed	-	1	-	1
Total	5	60	12	

Table 12. SBHG affordable homes 2013/4

An additional activity within SBHG’s ‘affordable homes’ work is the provision of financial support to residents through residents’ accumulation of rent arrears without incurring any penalty

Outcomes

The direct benefits of SBHG’s provision of affordable homes include:

- The savings that general purpose housing tenants make in renting from SBHG, namely the difference between SBHG rents and the government benchmark ‘Local Reference Rate’ market rate (VOA, 2013). A summary of average savings are provided in Table 13 below. Please see methodology section for more details of valuations.
- The savings that *Affordable rent* tenants make in renting from SBHG, namely the difference between SBHG rents and the government benchmark ‘Local Reference Rate’ market rate (VOA, 2013). A summary of average savings are provided in Table 14 below. Please see methodology section for more details of valuations.
- Economic benefit of accumulation of rent arrears at zero interest rate, which is valued at £78,904 when compared with market interest rates for loans
- A further social outcome is the simple fact that residents gain the benefit of having housing (‘a roof over one’s head’). The annual rents paid by tenants to SBHG are used as a estimate of the value this creates, on the assumption that ‘willingness to pay’ is a minimum estimate of value.

Size of Home	Average Weekly Saving	Number of Homes	Total weekly savings to residents of general purpose housing
Bedsit	£33.20	80	£2,656.27
1 Bed	£14.17	1,268	£17,971.79
2 Bed	£51.38	1,126	£57,853.88
3 Bed	£89.67	491	£44,027.97
4 Bed	£111.56	152	£16,957.12
5 Bed	£150.18	10	£1,501.80
6+ Bed	£175.39	4	£701.56
Total		3,131	£141,670.38 <i>per week</i>

£7,366,859.93 <i>annual savings</i>

Table 13. Estimated savings to residents from SBHG general needs rental vs. VOA benchmark market rental rate.

Size of Home	Average Weekly Saving	Number of Homes	Total weekly savings to Affordable housing residents
1 Bed	-£62	58	-£3,615
2 Bed	-£40	18	-£723
3 Bed	-£31	1	-£31
Total		77	-£4,369 <i>per week</i>
			-£52,425 <i>annual savings</i>

Table 14. Estimated savings to residents from SBHG affordable housing rental vs. VOA benchmark market rental.

There are additional benefits highlighted by reports by Shelter (Shelter, 2010) and the London School of Economics (Whitehead & Travers, 2011). that are not valued due to lack of reliable metrics in the literature.

With total costs of £14,861,000 in 2013/14, SBHG’s delivery of affordable housing directly creates £27,347,563.73 in value (including £7,424,269.69 in economic value and £19,923,294.04 in social value). This represents a direct CBR of 1.84 .

This CBR is very similar to the central option CBR of 1.80 provided in general modelling undertaken by DCLG when initially considering the merits of the Government Affordable Housing Programme (DCLG, 2011, p. 12).

5.1.2 Shared Ownership

SBHG’s shared ownership scheme was predominantly accessed by young professionals seeking to step onto the ‘property ladder.’ Of the 954 households accessing the scheme, 755 (79%) held 50% equity stakes in their homes, and 199 (21%) had eventually acquired 100% ownership over the leasehold.

A breakdown of the number of shared ownership homes by borough, along with estimated increase in property value in 2013/14 is provided in Table 15 below.

Borough	Estimated number of properties	Average p.a. property price increase (2003-2013)	Lower quartile annual house prices (2013)	1 year increase in property value (assuming average 60% equity stake)
Ealing	247	4.4%	£250,000	£6,647
Hammersmith & Fulham	400	5.8%	£382,500	£13,406
Hillingdon	61	3.7%	£216,000	£4,830
Hounslow	206	5.8%	£220,000	£7,711
Richmond	40	4.5%	£320,000	£8,702

Table 15. Estimated 2013/14 property value increase for SBHG shared ownership households.

SBHG also own leasehold homes in Brent, Harrow, Kensington & Chelsea, Kingston and other areas of the country.

Outcomes

SBHG identified that the primary outcomes of the shared ownership scheme are:

- Holding equity in a property that is likely to increase in value in line with the property market, and that can be sold at any time, valued at £8,780,885.
- Improved tenure security, resulting in reduced property moves, valued at £114,480.
- Access to housing on a non-shared basis, valued only at the rental costs to residents, namely £4,600,000.
- Other outcomes of living in SBHG housing is captured elsewhere in this report.

The value of holding appreciating property was estimated as the difference between renting and the paper profit of a 1-year rise in property value (assuming an average equity stake, and average property value rises in the relevant local authorities over the past 10 years) less mortgage and part-interest payments. Please see methodology Section 7.6.2 for further details.

These outcomes are *enabled* economic value, as SBHG provides a scheme that residents can access only if they are able to secure sufficient finance to purchase at least a 50% equity stake in their homes, either through their savings and/or from a (mortgage) lender.

These figures imply a direct value CBR of 0.92 , but augmented by an enabled value creation at a CBR of 1.78 .

5.1.3 *Private settled accommodation*

SBHG work with private landlords to provide families or individuals who are in need, with quality homes. The programme also uses Neighbourhood Officers to help tenants who engage in anti social behaviour, vulnerable tenants who have various issues such as alcohol abuse to sustain tenancies, advising tenants on how to use heating systems effectively and efficiently and financial support to sustain tenancies.

Project specifics

- SBHG manage 442 units on behalf of private landlords with an average tenancy length of 3 years.
- The headline total cost of this programme £1,053,000, however this includes costs of maintenance and managing commercial aspects of the programme that do not influence social impact.
- In 2013/14:
 - o 3 tenants were helped with anti social behaviour problems.
 - o 1 tenant was helped with alcohol abuse issues.
 - o 1 NEET tenant was helped with the opportunity of volunteering.
 - o 16 vulnerable tenants were helped to sustain tenancies.
 - o 38 cases (since August 2013) at Notice of Seeking of Possession (NOSP) and Court stage where payment/payment plans were made, preventing further action and allowing tenants to sustain their tenancies.

Outcomes

Benefits include:

- 1) Controlling anti social behaviour:
 - a. Issues with three tenants exhibiting this behaviour were resolved by educating tenants on their responsibilities enshrined in their tenancy agreements. With the intervention of the PSA Neighbourhood Officer the anti-social behaviour ceased and the cases were closed.
 - b. Helping vulnerable tenants: Home visits also add wider social value by identifying undisclosed or unknown problems faced by vulnerable tenants. This includes identifying alcohol issues with one tenant. This tenant was referred to appropriate agencies and is receiving treatment. During a meeting related to anti-social behaviour, a tenant not in education, employment or training was identified and offered the opportunity of volunteering.
 - c. Cause For Concern support is also given to tenants in various ways. This can be expressed in the form of increasing visits to particularly vulnerable tenants, liaising with various support agencies and assisting with re-housing. 16 cases of this nature were identified: most relate to sustaining tenancies.
- 2) Environmental benefits
 - a. Environmental benefits have also been achieved by home visits, including advising tenants how to use heating systems effectively and efficiently. The heating usage at shared properties is monitored regularly; boilers are adjusted to appropriate settings and windows closed in order to reduce emissions and cost.
- 3) Financial support to sustain tenancies:
 - a. There have been 38 cases since August 2013 at Notice of Seeking of Possession (NOSP) and Court stage where payment/payment plans were made, preventing further action and allowing tenants to sustain their tenancies.

- 4) Private landlords of participating in the programme will gain financially, for example from receiving guaranteed rents regardless of void/occupation. However, evidence on how and where landlords use their profit is not available. To be conservative, we therefore assume no social impact beyond SBHG's overarching economic contribution to the UK economy (valued elsewhere).

Valuations

The cost per incident of ASB is £648 in fiscal costs to the police and the justice system (Whitehead & Travers, 2011) and £6,403 in social costs to the perpetrator, victim and others (Trotter, Vine, Leach, & Fujiwara, 2014).

We have estimated:

- 55 tenants were helped to sustain tenancies, avoiding eviction, at a value of £8,492 per tenant
- 3 stopped in engaging in anti social behaviour, with a total *enabled* value of £21,000 for 3 incidents avoided, incorporating £2,000 in fiscal value and £19,000 in social value.

With estimated cost of £210,131, the programme creates £467,060 in direct value, and enables a further £21,153 in social value. This implies a direct value CBR of 2.22 and a further enabled CBR of 0.10 .

5.1.4 Supported housing for the elderly

SBHG sheltered housing developments for elderly people consist of 73 one bedroom flats in the London Borough of Hammersmith and Fulham. These are:

- 40 flats at Elizabeth Barnes Court in Fulham
- 19 flats at Ely Court in Fulham
- 14 flats at Asbridge Court in Hammersmith

Some flats are specially adapted for disabled living. All meet the Government's Decent Homes standards. A site manager co-ordinates a range of services for the residents, such as reporting repairs, sending information and organising events and meetings. SBHG also provide an 'Umbrella Team,' who perform repair services for elderly residents free of charge.

Total cost: £345,000 comprised of £314,000 for staff and £31,000 for maintenance.

Outcomes & Valuations

Direct benefits:

- As rents are similar to those of other supported housing for elderly in the area, there is no additional direct economic benefit due to the rent charged by SBHG for elderly people in sheltered housing (www.housingcare.org, 2014).
- The value here, is the rent paid per person, which is the amount an individual is willing to pay to have 'a roof over their head,' and hence the value that they place on that.

- The Umbrella Team provided 24 free small repair services to 17 residents, such as bathroom repair work, light bulb fittings and gardening. This was valued at £163.62 per resident, which is an average of:
 - An average individual economic benefit of £30.23 (MyBuilder.com, 2014), (Which?, 2014), (WhatPricE, 2014)
 - An estimation of the value that an improved home environment would be for an individual in terms of increased wellbeing, assuming the small repairs completed improved the home environment (Fujiwara, Daniel; HACT, 2013), valued at £297 per person.

Enabled benefits:

- There is little evidence of outcomes for services specifically targeting older people with high support needs within a sheltered accommodation environment. However, qualitative evidence (JRF, 2014) suggests supported housing models can promote self-determination (especially compared to care homes), safety/security, privacy to conduct personal relationships and opportunities for wider social interaction (John Rowntree Foundation, 2012). Factors that may improve or reduce quality of life include:
 - personal factors (e.g. regular contact with family, ongoing community involvement , longer-term disabilities versus those acquired later in life);
 - accommodation (e.g. space standards, location);
 - on-site service provision (e.g. scheme manager/support model, quality of staff);
 - availability of additional care/support (including specialist support; e.g. for people with a learning difficulty)

With total costs of £345,000, this service directly delivers value of £447,687.57 , and additional enabled value of £101,178.00 . This represents a direct value CBR of 1.30 , and an additional enabled CBR of 0.29 .

5.1.5 Supported housing for young people

Supported Housing is a preventative measure providing interim accommodation with higher rent than standard. The programme helps young people prepare for independent living by offering semi-independent accommodation. Support is offered through regular individual sessions with a dedicated support worker.

Young people participant in a mutually agreed support programme which includes training, as well as employment and education advice. There is a resettlement service to support young people when they move on. The intention of the programme is to ensure that young people are able to maintain their tenancies after they move on, through improved budgeting, financial planning, dispute management and finding/maintaining employment.

Additionally, SBHG helps the tenants to address dependency on substance misuse, move away from gang-led activities and address unhealthy social and sexual relationships. Finally, SBHG offer general life skills support in areas such as health and well being, nutrition, and safety and security to the young people. The three developments are in the London Borough of Hounslow.

During 2013/14 there were 72 referrals from Hounslow Council and 64 supported. Over the course of the year there are 42 bed spaces. 26 tenants moved on. Of those that were supported 52 are either in work or education:

- 27 in education (52%)
- 11 in training (21%)

- 11 in employment (21%)
- 2 volunteering (4%)

The total cost (salaries, maintenance and overheads) is £853,000.

End users

Information for 33 tenants showed that all were aged between 17 and 22 with 14 (42%) from ethnic minorities and 15 women (45%). In the whole of Hounslow borough the proportion for young people is 55% BAME (2011 Census).

Outcome & Valuation

The primary benefits are:

- Young people having accommodation for the duration of their stay in supported housing
- Young people developing skills to successfully manage a tenancy independently after the scheme, and avoiding the need for supported housing in future
- Referrals to SBHG's STEP project for employment and education outcomes (covered in Section 5.3.5 below)
- Reduced involvement in gang activity and unhealthy social or sexual relationships (not valued due to lack of data)

Of the 26 tenants that moved on from the project, 13 went into supported housing again, with the other 13 (50%) avoiding supported housing, by moving into a local authority tenancy, rented privately or moving back home.

Using estimates in the Manchester New Economy model avoiding local authority temporary housing equates to £80,938.50 in direct fiscal (to Hounslow Council) and £1,860.00 in direct social benefits. Additional direct economic benefit is represented by the value tenants place on having a roof over their head, which is estimated by the rent payable at £833,850.

These benefits are on top of those achieved through entering employment and training thanks to the STEP programme, which include economic gains to individuals through work and social gains through increased confidence/self-esteem of children and adults. This is covered in more detail in Section 5.3.5 below.

With total costs of £853,000, this service directly delivers value of £917,000. This represents a direct value CBR of 1.07. This is conservative due to likely outcomes listed above that have not been valued.

5.1.6 Accommodation for homeless young mothers

This project provides accommodation and support for up to 30 young mothers at any one time who are homeless or at risk of homelessness.

SBHG manages three houses for their young mothers, two in Hounslow and one in Whitechapel, Tower Hamlets, who are referred by the respective Local Authority homelessness and housing units.

Residents usually move in when they are around six months pregnant and stay up to two years, until they find permanent housing. They are provided with a safe and stable environment at a critical time in their young lives. Most of the mothers supported are aged under 21.

Residents are supported (Monday to Friday) to develop the parenting and domestic skills they need to live independently, receive any eligible entitlements/benefits, access health and community services as required, and potentially to get back into work or education.

End users

17 new referrals were accepted and a total of 40 young mothers were supported in 2013/14. An age breakdown of end users is provided in Figure 4.

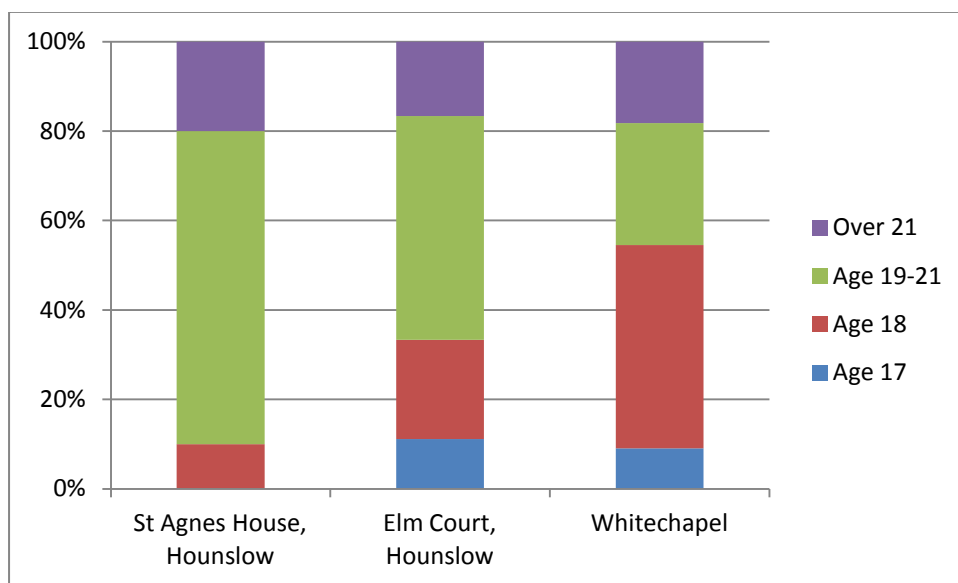


Figure 4. Age breakdown of homeless young mothers supported by SBHG in 2013/14.

An ethnic breakdown of these individuals compared with the breakdown of the homeless population within Hounslow and Tower Hamlets is provided in Figure 5 below, with comparison data derived from (DCLG, 2014b).

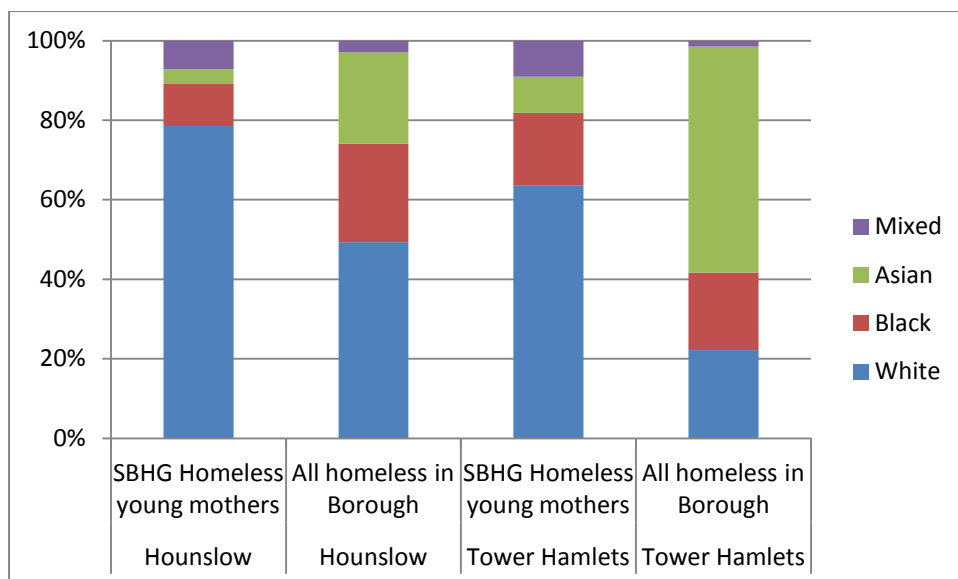


Figure 5. Comparison of ethnic profiles of SBHG homeless young mothers supported with all homeless, by Borough

Outcomes

SBHG staff identified several key outcomes of their work:

- 19 of 40 young mothers maximised their income through accessing the benefits to which they are entitled
- 15 of 40 individuals with debt reduced their debt levels
- 19 of 40 maintained their tenancy
- 19 of 40 secured access to settled accommodation.

The over-arching benefit of this work is a sustained tenancy and that a certain percentage of homeless young mothers will avoid adult homelessness. It is estimated that in 2013/14 SBHG's project helped 6 young mothers (14% of the total) to avoid adult homelessness (See methodology Section 7.6.6 for details).

Academic research suggests that serious childhood adversity can raise the likelihood of adult homeless from 2% to 12% (Herman, Susser, Struening, & Link, 1997). This would suggest support to homeless young mothers may help a further 15 of 6 infants to avoid adult homelessness.

The project is therefore estimated to help approximately 19 mothers and infants to avoid adult homelessness.

Based on a prior SROI study of youth homelessness conducted by CAN Invest (CAN Invest, 2013), this is valued at per person, comprised of £24,323 in fiscal cost savings to local authorities (Oxford Economics, 2009), and to the person avoid homelessness (CAN Invest, 2013).

With total costs of £456,000, the project directly creates in value (including in fiscal value and in social value), and enables a further £87,000 in value creation for infants avoiding adult homelessness (including £81,516.96 in social value and £5,100 in fiscal value).

This represents a direct value creation CBR of £5,107.83, and an additional enabled value creation CBR of £0.2. This is likely to underestimate the project's value, but further outcomes, particularly given the preventative nature of the service, cannot be reliably estimated without further tracking of outcomes for end-users.

5.1.7 Affordable New Homes Development

SBHG invested in the development of 6 sites in 2013/14:

- Completed Developments: Girdlers Road, Hammersmith & Fulham (6 dwellings housing up to 25 people)

Sites still under development:

- Irish Cultural Centre, Hammersmith & Fulham (18 dwellings – 12 one-bedroom, 6 two-bedroom)
- Bentley, Hillingdon (29 dwellings – 11 one-bedroom, 17 two-bedroom)
- London Road, Hounslow (20 dwellings – 15 rented: 6 one-bedroom, 6 two-bedroom, 3 three-bedroom; 5 shared ownership: 5 one-bedroom)
- The Griddle, Hillingdon (9 dwellings – 9 two-bedroom)
- Horsenden, Ealing (13 dwellings – 1 one-bedroom, 11 two-bedroom, 1 three-bedroom)

The primary benefit of site development is economic only, as where sites become operational their outcomes are incorporated within the strategic priorities outlined above (e.g. affordable homes). The economic value of new home development is incorporated within.

The total amount invested in property development in 2013/14 was £25,539,868, and impact of this is incorporated within GVA and employment calculations.

5.2 Social Heart, Business Head and Local Impact

Valuation for 10 projects within SBHG's Social Heart, Business Head and Local Impact strategic priority were estimated.

Sections 5.2.1 to 5.2.4 relate to activities undertaken by Staying First, SBHG's award-winning social enterprise. Staying First exists to provide high quality and accessible services in order to ensure a better quality of life for clients living in West London who are in housing need or have a health related need.

5.2.1 Home Improvement Agency (Aids and Adaptations)

The Home Improvement Agency is a service operated by Staying First.

When someone becomes elderly or their health fails, it can often mean moving home. The Home Improvement Agency helps people to continue living in their homes, delivering home improvement and disability adaptations to the public and private sectors. It helps people living on a low income to adapt unfit or unsuitable homes, creating more accessible living in their own home. The service can also include carrying out surveys, producing specifications and drawings, applying for planning permission and managing the adaptation process through all stages.

An SROI study for a housing association of the benefits of Adaptations (Bield, Hanover & Trust Housing Associations and Envoy Partnership, 2012) found that adaptations costing an average of £2,800 had the following benefits:

- A potential saving to government of £7,500 through reduced need for publicly funded care home provision;
- A potential saving to government of £1,100 saving through increased safety and reduced hospitalisation of tenants;
- A potential saving to government of £1,700 saving through reduced need for social care provision;
- A potential saving to tenants of £4,700 saving through reduced need for self-funded care home provision; and
- Well-being benefits to tenants valued at £1,400.

The total value for both government and tenants of each adaptation was therefore calculated as approximately £16,900 (updated to 2013 prices).

Outcomes & Valuation

Staying First / Home Improvement Agency completed 44 adaptations in 2013/2014, for an average cost of approximately £4,000 each. It is assumed, therefore, that these adaptations would secure similar, if not greater, outcomes for SBHG tenants.

Staying First also completed aids and adaptations for a number of other HAs. £1,008,691.97 was spent during 2013/2014 for 135 completed adaptations (including those completed for SBHA). In addition, Staying First spent £333,913.00 in resources expended to deliver the service. Assuming the same value generated as identified in the SROI outlined above, this would result in an overall value generated of approximately £2,280,420.00, and a CBR of 1.70.

Work for SBHA only (excluding other clients) involved spending in 2013/2014 of £176,000, and a CBR of 4.22.

5.2.2 Housing, debt and welfare advice service

Staying First provides free, independent and confidential housing advice, debt advice and/or welfare benefits advice to tenants and owner occupiers.

In 2013/14, 1260 clients were referred to Staying First for advice, of which 419 experienced financial outcomes to the value of approximately £1,451,372.92 with increases in weekly amounts secured, e.g. benefits payments, being converted into yearly equivalents). However, these payments are likely to ultimately 'net off', as they flow from one of SBHG's stakeholders (e.g. government, housing associations, other landlords), to another (clients).

Outcomes

The real benefit of this service is therefore in what securing these financial outcomes achieves for Staying First's clients. There are a range of sources that suggest such advice services have a wide range of social and economic outcomes for clients and government (see, for example, (Wiggan & Talbot, 2006)(CLAHRC for South Yorkshire, 2011) (Gamsu, 2011)), including health (mental and physical) and wellbeing, stability of finances and housing, improved relationships with friends and family and employment, as well as avoidance of associated costs to government through reduced usage of services.

Studies have previously attempted to quantify the value of these additional outcomes for different stakeholders. As SBHG does not currently track and measure the wider outcomes of its advice service beyond the financial outcomes secured, one of these studies has been used to estimate the likely value of this service (nef and Advice UK, 2010). In line with this study, the financial outcomes achieved were split into welfare and debt advice and housing advice, as per the table below.

Although attribution and deadweight have been estimated in the nef study, because outcomes have not been tracked by Staying First, it is difficult to say how close the nef case study examples might be to the average value of outcomes generated for clients of Staying First's service. Therefore, to remain conservative, we have added an additional measure of deadweight: how likely it is that a client would receive a similar advice service if they were the tenant of another housing provider. A report on financial inclusion and housing (Chartered Institute of Housing, 2009) identified that approximately 80% of CIH members offered access to debt prevention and early intervention services and/or money advice. Therefore, we have assumed deadweight of 80% in the calculations of value below.

Valuation

Estimates of value were derived by multiplying the number of Staying First clients who achieved financial outcomes by values provided in the nef and Advice UK report. These are outlined in Table 15 below.

Type of advice	Outcome	Value Chain	Value Type	Monetary Value
Debt/welfare advice	Social outcomes	Direct	Social	£317,361.97
	Government outcomes	Direct	Economic	£69,366.14
	Social costs averted	Enabled	Social	£423,531.54

	Government costs averted	Enabled	Economic	£217,055.86
Housing advice	Social outcomes	Direct	Social	£N/A
	Government outcomes	Direct	Economic	£N/A
	Social costs averted	Enabled	Social	£209,789.57
	Government costs averted	Enabled	Economic	£214,267.84
Total				£1,451,373

Table 16. Value of outcomes of the Service.

*N.B. These outcomes were not valued in the nef study used.

With total resources expended by Staying First of £407,111.00 , this represents a direct value CBR of 0.95 , and an enabled value CBR of 2.62 .

5.2.3 Small repairs service

The Small Repairs Service is Staying First's most popular service and is hugely appreciated by clients. Approximately 2,000 small repairs are completed each year, every one of them making life easier for someone. Over the last 15 years, the service has helped people who may not be in a position to do the work themselves. Clients are over 60 or vulnerable, living in either the Royal Borough of Kensington and Chelsea or the City of Westminster.

Valuation

£538,936.00 in resources expended was spent in 2013/2014 for the small repairs service in Westminster and Kensington and Chelsea.

The valuation of outcomes was estimated using two methods:

- Direct market substitution, where clients were charged for the service, and
- Wellbeing valuation of having an improved home environment, for those on means tested benefits.

In Westminster, 61% of clients are on means tested benefits and therefore do not pay for the small repairs service, where during the year 492 clients were supported completing 875 jobs. The same percentage has been assumed for Kensington and Chelsea, where 696 clients were supported completing 975 jobs.

The market price valuation was derived by searching for typical market prices for different task types completed by Staying First during the year. For this calculation, materials were not included in either the 'input' figure or the 'outcome' figure, as the difference between Staying First's service and other market options is in the cost of labour.

The wellbeing valuation was derived using data from a report on housing providers by HACT and wellbeing valuation expert Daniel Fujiwara (Fujiwara, 2013). In line with this report, it has been assumed that each wellbeing outcome was achieved twice per listed client in SBHG's database, based on an average home size of 2. In addition, although small repairs clients must by definition be unable to undertake repairs themselves (because they are elderly or vulnerable), deadweight of 20% has been assumed to take account of the fact that the client may have been able to receive

assistance with some of the repairs elsewhere (e.g. assistance from friends or family) or attempt to undertake it themselves. The figure of 20% has been taken from a previous SROI undertaken on an equivalent small repairs service (Horizon Housing Association, 2013).

Using the above approaches, the small repairs service represents a direct value of £436,105.45, the majority of which is for clients who do not pay for the service (£411,579.79). £24,525.66 in value was derived for clients who did pay for the service, compared to market alternatives. The combined value results in a CBR of 1.09.

5.2.4 *Furnish*

Furnish is a furniture and appliance re-use enterprise operating mainly in west London, and is owned and operated by Staying First.

Furnish enables local residents and organisations to access re-use and recycled items. Furnish also offer a generous discount system to enable low-income and disadvantaged households to furnish their homes. Furnish collect unwanted furniture donated by the local community and through collections from commercial and public sector organisations. By re-using furniture Furnish help reduce greenhouse gas emissions, and reduce the need for landfill.

Furnish also offer interesting and rewarding volunteering and employment opportunities, in addition to taking on those participating in community service or are in the probation system. In the past year, the scale of Furnish's operations has increased dramatically through the use of the Social Fund.

In 2012, SBHG commissioned an SROI (Social Return on Investment) report on Furnish. This report, conducted by Envoy Partnership, identified £2,195,918.31 in social, environmental and economic value created for Furnish's stakeholders for the year. The figures provided in the SROI report have been updated in line with growth estimates for the different areas of Furnish, as follows:

- **Furniture donations, collection and recycling:** SBHG has collected data on CO₂ tonnage diverted from landfill in both 2012 and 2013. In 2013, 4892.80 tCO₂e was saved from landfill, compared to 720.00 tCO₂e in 2012. Assuming a linear relationship between tonnes of CO₂ saved from landfill and other outcomes delivered by Furnish, from these figures it can be assumed that furniture collection grew by 6.80times in 2013/14.
- **Furniture provision:**
 - Investment through the Social Fund and other Government funds: approximately £1,603,382.80 funds was secured by Furnish from Government bodies, compared to approximately £984,746.00 last year. This equates to growth of 1.63 times.
 - Investment through other Housing Associations: approximately £126,026.62 of income related to Housing Association investment, compared to approximately £247,050.00 last year. This reduction equates to a growth ratio of 0.51.
 - Other (commercial) activity: approximately £466,508.89 of income was related to other commercial activity not covered by the previous two categories, compared to £721,097.00 last year. This reduction equates to a growth ratio of 0.65.
 - Overall income has increased by 1.95 times between 2012/2013 and 2013/2014.

On the basis of the above, the outcomes delivered by Furnish in 2013/14 are presented in [Table 17](#) below.

Outcome category	Value Chain	Value Type	Monetary value
Government Savings: Social care, health, reduced JSA, criminal justice system	Enabled	Fiscal	£ 350,984.35
Government Savings: Furnish as cheaper supplier & landfill savings	Direct	Fiscal	£ 289,976.98
Social Landlords: Sustained tenancy & maintenance savings	Enabled	Economic	£ 22,609.06
Other Collection Clients' Savings: Furnish as cheaper supplier (e.g. offices)	Direct	Economic	£ 87,717.10
Customer savings from shop	Direct	Economic	£ 59,716.73
Customers' wellbeing	Direct	Social	£ 895,509.99
Childrens' wellbeing	Direct	Social	£ 91,385.62
Customers' sustained tenure at home	Direct	Social	£ 1,059,322.05
CO2 Value: Landfill & new manufacture	Direct	Other - environmental	£ 186,711.66
Gigajoules Value: New manufacture	Direct	Other - environmental	£ 49,415.20
Staff economic benefit*	Direct	Economic	£ -
Staff wellbeing benefit	Direct	Social	£ 307,707.66
Volunteers wellbeing benefit	Direct	Social	£ 82,136.57
Total value			£ 3,483,192.98

Table 17. Estimated outcomes delivered by Furnish in 2013/14.

*This equates to staff salaries and has been excluded here because it is covered by the calculation of Direct GVA elsewhere in this report.

These outcomes are collectively valued at £3,109,599.57 of direct value and £373,593.41 of enabled value (total: £3,483,192.98 compared to the £1.7 million in equivalent value³ identified last year in the SROI report, suggesting that Furnish has approximately doubled its impact.

It is worth noting that in the SROI the largest areas of value were government savings, other collection clients' savings, customers' wellbeing and customers' sustained tenure at home. However, during the year the largest area of growth for Furnish has been in the collections and donations area of the business, which was valued comparatively lower in the SROI. It may be that Furnish can increase its impact 'efficiency' by focusing on projects that are most likely to lead to securing furniture which can then be used to deliver benefits for clients (i.e. 'flows through' the whole Furnish Theory of Change).

With total resources expended of £2,747,744.00, Furnish is therefore estimated to deliver a direct CBR of 1.13, and a further enabled CBR of 0.14.

³ The value in 2013/14 has excluded the economic benefit of staff salaries because this is covered at group level in the calculation of SBHG's GVA. The 2012/13 total has therefore been updated to reflect this, i.e. £2.1 million minus staff economic benefit of £342k = £1.7 million.

5.2.5 ASB specialist service

SBHG have two ASB officers who deal with ASB complaints or reports on SBHG sites, and investigate all reports and take action. The aims of the service are to:

- prevent and deter ASB;
- tackle the causes of ASB and deal with the consequences;
- support complainants and witnesses;
- take appropriate action against the perpetrators; and
- achieve results that will last.

During 2013/14 there were 223 new cases and 158 cases closed. Actions taken included:

- 317 early interventions that were non legal mostly made up of warning letters (104) and a perpetrator visit /interview (167).
- 18 enforcements (legal action) mostly Notice's seeking possession/demotion or injunctions
- 82 referrals to support services:
 - o Referral to mediation: 10
 - o Referral to family intervention project: 1
 - o Referral to mental health/community care services: 10
 - o Referral to MARAC or other DV advocacy: 25
 - o Referral to police: 22
 - o Referral to other group (YOT, etc): 13

End users

The characteristics of those supported are not known.

Outcomes

The benefit of the service is that those engaged with will cease their anti social behaviour. It is estimated that 82 of those individuals receiving early intervention engaged in one less serious case of anti social behaviour.

The cost per incident of ASB is £648 in fiscal costs to the police and the justice system (Whitehead & Travers, 2011), and £12,784 in social costs to the victim, perpetrator and others (Trotter, Vine, Leach, & Fujiwara, 2014).

This implies a total *enabled* value created of £413,021.38 for the victim, perpetrator and society for incidents avoided, incorporating £19,926.00 in fiscal costs and £393,095.38 in social value.

The total cost was £225,000 with staff costs accounting for £135,000 and overheads £90,000. This suggests a CBR of 1.84 .

5.2.6 Domestic violence support service

The service provides housing related support to 40 women, at any given time, who are experiencing or who have experienced domestic violence and living or coming to live in the borough of Hammersmith and Fulham. The majority are complex cases as referrals mostly come from children services , consisting of high risk cases – safe guarding vulnerable adults, child protection, children in need, at risk of homelessness, insecure immigration status, vulnerable single women with no housing duty, high mental health needs, drug and alcohol misuse, etc.

In the year 2013-2014, 142 women were referred to the service of which a total of 92 women were signed up to receive the service and 50 women received crisis intervention and were referred to other services for their own safety.

The total cost of the service was £257,000 made up of £182,000 in staff costs and £75,000 in overheads. This involved 105 hours direct work with women on a weekly basis.

End users

Of those helped, 74% were women with children and 23% were single. Age and ethnic breakdowns of programme participants are compared with the overall resident population in the London borough of Hammersmith and Fulham in Chart 1 and

Chart 2.

Chart 1. Participants by age

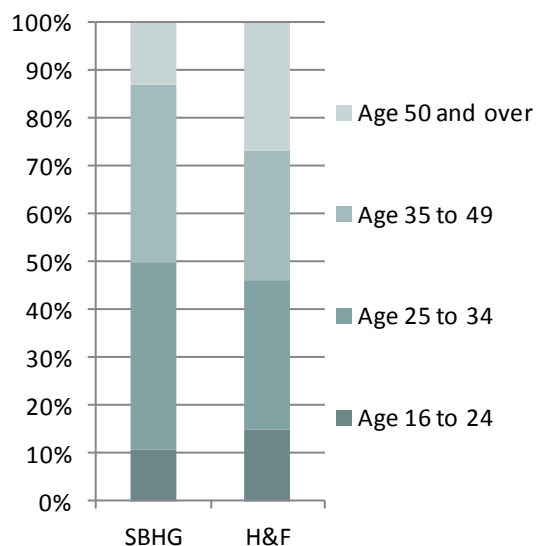
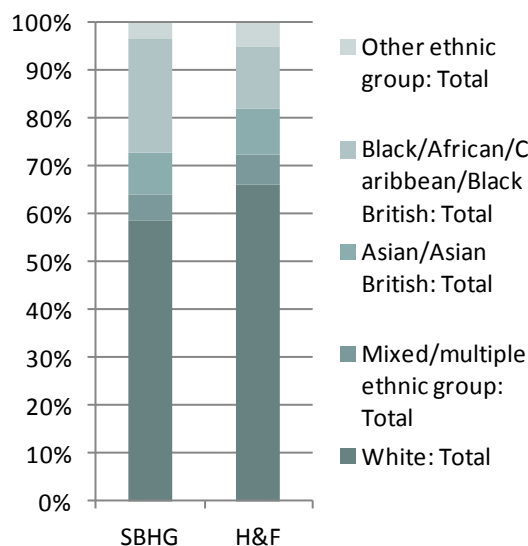


Chart 2. Participants by ethnic group.



The project supports a relatively higher proportion of 25-49 year olds, and of Black women, than live in the Borough of Hammersmith & Fulham.

Outcomes

The main benefit of the project is a reduction in future incidences of further domestic violence, and therefore a reduction in consequent costs of domestic violence. This includes victims' physical and mental ill-health, lost economic output (from employment), and costs to local authorities [Walby, 2009]. It is estimated that each end user will experience one less major incident of domestic violence as a result of support received.

The fiscal and social cost per incident of domestic violence to police, Local Authorities, the Criminal justice system and the NHS is £13,832 [based on Walby 2009]

This implies a total of £201,000 fiscal, economic and social value directly created by the project, working with 92 women. The breakdown of value is provided in Table 9 below. With project costs of £257,000 this represents an estimated CBR of £ 0.78 for each £1 invested.

	Total (£)	% of total
Services	£249,000	25%
<i>Criminal justice system</i>	<i>£81,000</i>	<i>8%</i>
<i>Health care</i>	<i>£112,000</i>	<i>11%</i>
<i>Social services</i>	<i>£18,000</i>	<i>2%</i>
<i>Housing and refuges</i>	<i>£13,000</i>	<i>1%</i>
<i>Civil legal services</i>	<i>£25,000</i>	<i>2%</i>
Lost economic output	£124,000	12%
Human and emotional costs	£643,000	63%
Total	£1,016,000	100%

Table 18. Estimated net savings for each cost type and agency (net savings = total value less project costs)

An additional outcome is tenancy sustainment for young mothers, which is covered in section 5.1.6.

5.3 Delighting our Residents

5.3.1 Employment, training & volunteering service

SBHG's employment, training & volunteering service consists of a volunteering programme, apprenticeship opportunities, computer skills training and work experience.

The Volunteering programme offers:

- ongoing support and training;
- full induction into your role;
- reimbursed agreed travel and lunch expense;

Apprenticeship opportunities offers (over two years), practical experience and training while studying towards a recognised qualification. It is offered to those living in a SBHG owned or managed home and aged under 23 years of age.

Computer skills training offers residents the opportunity to enjoy the benefits of being online, such as saving money on bills and the convenience of paying bills online (38% of residents surveyed had no access to internet in their homes). In 2013-14 SBHG began working with local social enterprise Student@Home to help increase access and ability to use the internet for their offline residents. Targeted residents were offline, in rent arrears and claiming housing benefit.

The offer includes:

- Giving 25 offline residents the chance to receive a free refurbished computers and a one to one lesson at home
- Giving 25 online residents the chance to receive a free one-to-one lesson in their home

Work experience was offered to Pupils from three secondary schools for two-week work placements to gain an insight into the world of work and develop their skills.

End users

Volunteering programme: SBHG have supported 71 volunteers in the last 12 months and currently have 45 volunteers. 37% of volunteers supported in 2013-14 and 44% of current volunteers are SBHG residents. 15.8% of volunteers supported in 2013-14 were 16-24 years old, 28.1% were 25-34, 14% were 35-44 and 42.1% were 45+. Only 9.9% of volunteers in 2013 were in employment when they started volunteering and 59% of volunteers were looking for work.

Apprenticeship: 26 apprentices were supported in 2013-14 across SBHG. Five apprentices left SBHG in 2013-14.

Computer skills training: In 2013-14 SBHG had 93 attendees, 77% of which were SBHA residents.

Outcome Values

Volunteering programme:

- 47% of volunteers who finished volunteering with SBHG moved straight into employment.
- 43% of those who moved into work were SBHA residents.
- 79% of volunteers who moved into work were employed by SBHG as staff, apprentices, through temporary contracts and through the Volunteer Into Work Programme.

Apprenticeship:

- One person completed the full two years of their apprenticeship and moved straight into work
- Two apprentices moved into employment before completing the full two years of their apprenticeships.

Computer skills training:

- 49 tenants took part in this project in total
- 37 of which received free refurbished computers
- 12 tenants already had computers at home and received free one-to-one lessons on these (100 sessions overall)
- 88% of online residents who took part in the project reported the training to be very helpful and said the IT training session met their learning needs.
- 100% of offline residents reported they found the programme very helpful
- 76% said the training met their needs.

Of those who engaged with the volunteering and apprenticeship programmes above, we estimate that 34 moved into work (33 via volunteering and one through the apprenticeship programme).

On the basis of the data held by SBHG, CAN Invest estimates that SBHG's volunteering and apprenticeship projects deliver the following amounts of social and economic value:

- Enabled value of £517,000.00 through supporting people into employment and training, including
 - A fiscal gain to public authorities over four years of £340,000.00 . The majority (88%) of the fiscal savings flow back to DWP with another 10% falling to the NHS and 1% to local authorities.
 - An economic gain to the individuals over four years of £128,000.00 .
 - A social gain over four years of £49,000.00 . This is conservative as it is based on the increased confidence/self-esteem of adults and children and does not include separate valuations of reduced isolation or/and increased emotional well-being.
- Direct social value of £341,051.70 value, comprised of:
 - Benefits of volunteering to 38 people who volunteer regularly, valued at £11,800 per person.
 - Benefits of digital inclusion for 49 new internet/computer users, valued at £328.

With total costs of £440,000, this represents a total CBR of £2.00.

5.3.2 Church Street Nursery

Church Street Nursery opened in 1993, and was integrated into Shepherds Bush Housing Group in 2013. It is a 20-place day-care nursery, open 9am – 5pm on weekdays, 52 weeks of the year. It is an OFSTED Grade 1 (Outstanding) nursery.

The nursery provides full day care, sessional care and a crèche. The aim is for the nursery to be affordable for local families. Fees are kept to a minimum and many parents can access subsidies if they are attending education or training courses.

Nursery fees are £6.50 an hour and are claimed to be lower than local current competitors. This is based on Church Street Nursery being a small open planned setting, which does not have separate rooms for babies, toddlers or pre-school age children; and also not provide lunch for all day children. Church Street Nursery operates an assisted fees policy for single parents on income support or low income families.⁴

End users

By the end of the third term in July 2014 there were 37 children attending the nursery: 10 aged 2 to 3 and 27 aged 3 to 5. Approximately 70% of the children came from black and ethnic minority families and 9 had special education needs (SEN).

Church Street Nursery is situated within Church Street ward in Westminster, a ward with a high ethnic population. According to the 2011 Census 74% of households (with children aged under 5) in the ward are from black and ethnic minority families, therefore *the nursery is broadly representative of the white/BAME mix in the ward*. However, the mix between each ethnic group differs as shown in Figure 6.

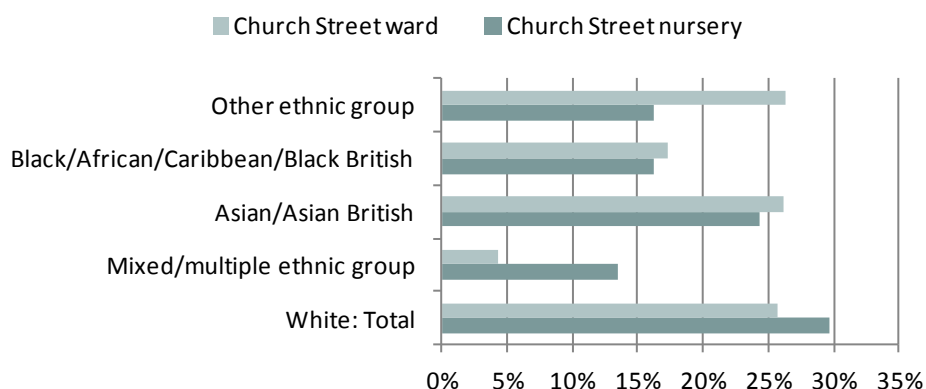


Figure 6 Church Street nursery children by ethnic group.

The ethnic population in Church Street Ward has an unemployment rate of 21% compared to rate of 12% for white groups (unemployed as a % of economically active). In terms of inactive rates (inactive

⁴ The 'Family and Childcare Trust Annual Childcare Costs Survey' for 2014 suggests the average cost of a nursery place for those aged 2 and over is £5.48 per hour. This is lower than the £6.50 per hour for Church Street nursery, but this is a London average and probably disguises higher local nursery rates in Westminster, due to higher local property and rental costs.

less retired as a % of 'all' less retired) the rate for ethnic groups is 46% compared to 31% for white groups.

Outcomes

The main benefit of the project is the availability of cheap nursery places, which enables ethnic parents to take time away from caring duties to either train or enter education to move closer to the labour market or gain employment. No further substantial benefits, such as educational or other outcomes for children compared with other nurseries in the borough are included.

Data held by SBHG states that 9 parents have entered employment and a further 6 parents are studying.

The fiscal and economic benefits for someone entering employment as well as wellbeing improvements for both the parent and child are estimated at £11,200 per family [New Economy Manchester, 2013]

This implies a total of £72,747.00 in fiscal, economic and social value *enabled* by the project for 15 parents (£32,238.75 fiscal, £16,120.50 economic, £24,387.75 social), in addition to the direct value created by the provision of nursery care (estimated to be equivalent to the cost of running the project, namely £271,000). This represents an estimated direct CBR of £ 1.00 plus an additional enabled CBR of 0.27 for each £1 invested.

5.3.3 InComE

The InComE (independence, accommodation and employment) project works on a simple integrated model. It aims to tackle overcrowding by offering housing and training and employment support to adult non-dependents living in overcrowded social housing. The objective is to break a dependency on social housing and benefits and increase people's aspirations and career expectations. Clients are offered an Assured Shorthold Tenancy (AST) for two to three years in a housing association flat. The only condition is that they are in, or willing to start college/training or work.

The project has three stages which each client moves through:

- Assessment of skills and career aspirations for each client; a family visit, confirmation of family's overcrowding or severely overcrowding status, training and employment support to ensure the client is going to/at college, university, on an apprenticeship or working.
- 'Ready to view': once a client is enrolled on an appropriate career-linked course or in a job that has good career prospects, caseworkers contact partner housing associations to identify a suitable one bedroom flat or studio.
- 'Housed clients': caseworkers provide tenancy support, there is a £750 furniture allowance per client which the caseworker oversees, clients are supported in organising utilities, direct debits and top-up housing benefit or full housing benefit is organised where relevant. Caseworkers provide on-going monitoring of the tenancy and attendance and performance at college and work.

End Users

141 end users were provided housing (tenancy) since 2008 and at least 400 clients supported with employment support, money advice and housing advice. 99 clients have now moved on and 42 clients have moved into the private rental sector, shared ownership or outside of London to access larger properties for lower costs. This includes moving abroad and flats provided with their

employment. During 2013-14, 101 people were supported. Of these 56 were female and 45 were male. The following boroughs referred people for client support:

Borough	# of clients referred
Brent	20
Ealing	16
Hammersmith and Fulham	30
Haringey	9
Hounslow	15
Hillingdon	4
Westminster	2
Kensington and Chelsea	4
Harrow	1

Table 19. Clients referred to InComE 2013/14

Outcomes

Of the 101 supported in 2013-14, 16 remained on benefits and 85 were helped into full or part time employment (many of those in part time employment will also be in education but the exact number is not known). A previous cost-benefit analysis CBA of the InComE pilot (Young Foundation, 2010) was based on 38 clients that were housed in the 10 months since the project started. The analysis calculated an actual saving of £1.5m. By supporting NEETs (people not in education, employment or training) into study or work the analysis calculated a further lifetime saving of £12m⁵ through intensive support and early intervention. The report predicted that if the scheme was rolled out to 100 clients an actual saving of £6m to the public purse would be achieved and a further £35m if the lifetime costs of NEETs was taken in to account.

CAN Invest provided an updated Cost Benefit Analysis (CBA) for the InComE programme using the widely used New Economy Manchester model. We assumed that residents are in receipt of DWP benefits.

- The model shows a total direct value created of £466,059.41 , which is comprised of: A fiscal gain to public authorities over four years of £437,000.00 . A breakdown of the gain by different agencies is provided in Figure 7 below. The majority of the fiscal savings flow back to DWP
- An economic gain to the individuals over four years of £17,079.21 . This is a relatively low financial gain to work for individuals, compared to the gain to public authorities, as the net gain to the individual of increased income is offset by reduced benefits.
- A social gain over four years of £11,980.20 . This again is conservative as it is based on the increased confidence/self-esteem of adults and children and does not include separate valuations of reduced isolation or/and increased emotional well-being.

⁵ Based on 38 clients at an 80% success rate of reducing NEETs

Fiscal Benefits

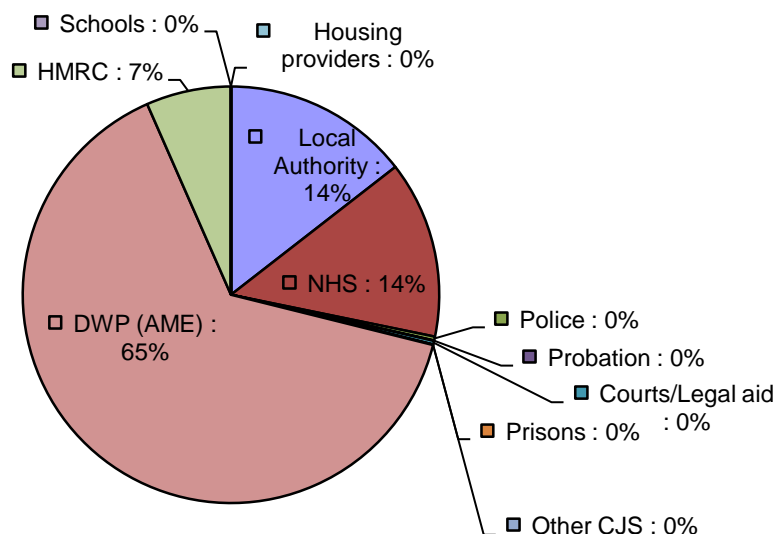


Figure 7. Breakdown of benefits from the InComE project to different public authorities.

With project costs, this equates to a CBR of £ 5.18 for every £1 invested.

The New Economy Manchester model was used to value outcomes. Please see methodology for details of the model.

5.3.4 Into Work, Into Housing

‘Into Work, Into Housing’ is a programme aimed at those in an SBHA temporary accommodation property in the London Borough of Hammersmith and Fulham. The tenant needs to be in permanent employment for over six months. Eligible tenants are able to bid on SBHA homes only but must be working more than 16 hours per week on a permanent basis and must not have any rent arrears at their current home.

A total of 3 families were helped consisting of 5 adults and 6 children during 2013-14.

Outcomes & Valuation

The Cost Benefit Analysis (CBA) for the programme assumes that assisted residents are able to move into more permanent accommodation, with savings associated with the reduced risk of being in temporary housing and reduced cost of moving home.

On the basis of the data held by SBHG, CAN Invest estimates that SBHG’s the programme delivers the following amounts of value on an *enabled* basis:

- A fiscal gain to public authorities of £20,753.50

- A social gain of £2,008.50, incorporating improved family relationships, positive functioning, such as autonomy and a sense of purpose, and emotional wellbeing, that result from increased security of tenure.
- An economic gain of £2,462.86

Based on a cost of £28,500, the model shows a CBR of £ 0.89 for every £1 invested.

5.3.5 STEP

The Support To Employment Programme (STEP) provides confidence and the skills to help young people move closer to the labour market. The project consists of group training sessions and one-to-one support, with training personalised to meet client needs. This helps to:

- develop CVs and career prospects
- improve interview skills
- build confidence and communication skills
- find jobs, apprenticeships, work experience and training opportunities

End users

In 2013/14, STEP helped a total of 117 people in total, with 37 attending STEP sessions. It is estimated that 70% of these were SBHA residents, 20% were volunteers, 6% were apprentices and 13% were clients of the InComE project.

A breakdown of these 37 people (25 female, 12 male) is provided in Figure 8 below.

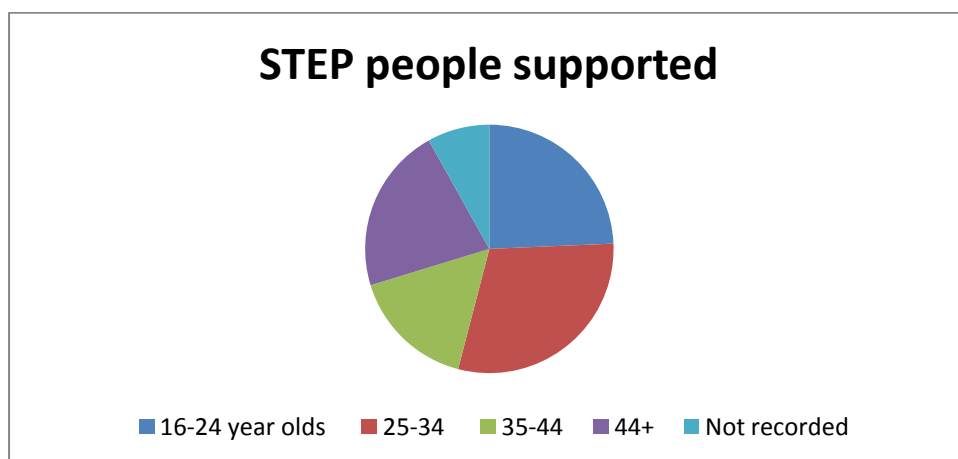


Figure 8. Age breakdown of STEP end users.

Outcomes & Valuation

Of those who engaged in STEP training, 3 moved into work and 3 accessed further education or voluntary opportunities.

On the basis of the data held by SBHG, CAN Invest estimates that SBHG's Employing and Training projects deliver the following amounts of social and economic value:

- Enabled value of £30,000.00 through supporting people into employment and training, including;
 - o A fiscal gain to public authorities over four years of £16,000.00 . The majority of the fiscal savings (88%) flow back to DWP with another 10% to the NHS.
 - o An economic gain to the individual over four years of £7,500.00
 - o A social gain over four years of £6,500.00 . This again is conservative as it is based on the increased confidence/self-esteem of adults and children and does not include separate valuations of reduced isolation or/and increased emotional well-being

With total costs of £15,000, this represents an enabled CBR of 2.00 in benefit for every £1 in cost.

6. Recommendations

As part of its brief to support SBHG, CAN Invest aimed to help SBHG *build staff capacity* to measure social impact without reliance on external advisors. In this respect, CAN Invest engaged SBHG staff in identifying outcomes delivered by the projects appearing in this report. CAN Invest have also created simple tools that will allow SBHG staff to more simply track outcomes achieved, and integrate the results into a consolidated impact reporting process for future reporting periods.

More generally, CAN Invest make the following recommendations to SBHG to help them further develop their impact and impact measurement in future periods:

1. **Identify and measure outcomes.** SBHG has output data for many of its activities (e.g. expenditure, hours spent on activity, number of clients engaged with, and so on), but does not yet comprehensively measure the outcomes of its work. This means that some valuations in this report have been based on assumptions linking the outputs of an activity to hypothesised outcomes, rather than to the outcomes themselves. By collecting outcomes data (where it does not already do so), SBHG will be able to increase the confidence it has that it is achieving its desired impact, and also the credibility of its impact reporting.
2. **Create an organisation-level Theory of Change.** To date, SBHG has considered theory of change (i.e. the 'map' showing how its activities lead to long-term outcomes, via interim outcomes) at an activity level, on an ad-hoc basis. Consolidating this work into a Theory of Change that considers the whole Group's impact would enable SBHG's staff to understand how their activity relates to the broader objectives of the group, as well as providing a platform to develop a common and consistent measurement system. It would also help to identify key outcomes (see point 1 above) and identify areas where different group activities are achieving the same type of outcomes.
3. **Consider wider environmental impacts.** SBHG has previously measured the positive environmental impact of its Furnish programme via an SROI. However, SBHG's other activities are likely to also have an environmental impact, some of which will be positive, but in other areas may be negative. It is important that SBHG understands the overall impact it is having, whether positive or negative, so it is able to manage not only the positive intended impact it is having, but other unintended or negative impacts as well.
4. **Consider the context in which change occurs.** There are often additional factors that should be considered when calculating impact, such as:
 - a. **Deadweight:** what would have happened anyway, if SBHG had not delivered its activity;
 - b. **Attribution:** how much of the change was due to SBHG vs. other individuals or organisations;
 - c. **Displacement** - whether the change observed is counterbalanced by an opposite (usually negative) change elsewhere;
 - d. **Duration and drop-off** - how long the change observed will last for, and how much of that change could be attributable to SBHG over time.

SBHG already has some insight into these factors (e.g. through understanding where its services have added to other provision) but has not considered these comprehensively. Understanding how SBHG has delivers outcomes in the wider context of change will enable SBHG to identify its *unique* impact, increasing the strength of its reporting.

5. **Embed impact measurement and reporting into the organisation.** SBHG staff and volunteers (where appropriate) should be trained to understand how to collect and interpret outcomes and impact data. This will allow SBHG to continue to monitor the impact of its activities ongoing, with reduced external support. Different levels of the organisation are likely to require different types of training regarding impact, to reflect their different roles; for example, front line staff will need to clearly understand how to collect the applicable data for their area; management will need to understand how this data is aggregated and can be used to inform their decisions (for example, budgetary/resource allocation decisions), and senior leadership/Board should be equipped to ensure SBHG's impact is maximised and safeguarded by reviewing the aggregated impact data presented to them.
6. **Integrate impact data into internal decision-making.** As alluded to in point 5 above, the data collated by SBHG regarding its impact is not only useful for external stakeholders who wish to understand the difference SBHG makes. It should also be used to inform SBHG's strategy and internal decisions. To deliver most effectively on its social mission, SBHG will need to understand how it delivers its social mission, and be able to utilise its available data to understand where to allocate its finite resources in pursuit of that mission. The impact framework developed here can be used as the starting point for this process of developing an 'impact-led' strategy. For example, if the method of outcomes measurement and financial valuation are kept the same for a particular activity, SBHG would be able to compare its impact from one year to another, and use this to evaluate performance separately from the organisation's pure financial performance.
7. **Consider proportionality of impact and measurement.** This report provides SBHG with an organisation-level view of its impact, enabling to identify (in broad terms) where its greatest areas of impact are. SBHG can use this insight to determine where to allocate resources for impact measurement to ensure that the focus of measurement is on the areas of greatest scale and impact. In this way, SBHG can increase the robustness of its impact measurement in the areas which matter most.
8. **Measure impact for projects supported, but not run by, SBHG.** SBHG provided subsidised accommodation and direct financial support for a range of independent projects, including 3 charities: a local day-care nursery (Sands End Pre-School), a small respite centre for family carers (Kiloran Trust), and an employment and training charity (Action Acton). SBHG should seek to engage with these organisations to identify and measure the value that is enabled by SBHG's support.

7. Methodology

SBHG holds a range of quantitative data on each of the projects and services it undertakes. This data were used in conjunction with a range of publicly available information to develop estimate valuations of economic and social value. The approach to valuation was conducted as follows:

1. Identify projects seen to contribute to SBHG's overall social value contribution for inclusion in the valuation scope.
2. For each project:
 - a. Identify SBHG data available and any previous impact studies undertaken (e.g. SROI)
 - b. Conduct a literature review for similar projects that may inform our approach
 - c. Request cost information from SBHG project and other managers.
3. Next, the scope of impact is determined by identifying:
 - a. Key stakeholder groups and segments (e.g. demographic variables)
 - b. Numbers of individuals within each stakeholder group/segment
 - c. Outputs of the activity
4. The outcomes for each key stakeholder group are then determined by:
 - a. Discussion with staff at SBHG
 - b. Literature review and review of similar studies
 - c. In future, SBHG should identify these outcomes through discussion with stakeholders (see recommendations)
 - d. Impact discount factors (see below) were estimated.
5. The outcomes are then valued using one of the following valuation methods:
 - a. *Unit costs*: the cost to deliver one unit of a service (e.g. by a government department) which would have been used to achieve the same outcome
 - b. *Market price*: the cost to pay some to deliver the same service on the open market
 - c. *Wellbeing valuation*: comparing differences in quality of life satisfaction, on average, and comparing to the equivalent monetary value to produce the same difference in life satisfaction

7.1 Contextual and Comparison data

Contextual information was used to establish how the outputs compare to relevant populations and local markets. For example:

- Affordable rent activities need to be compared with market rents, to determine the difference between SBHG and rents of other HA's in the area
- Activities designed to help disadvantaged groups need to be compared with local statistics of residents, by tenure, and by characteristics, to determine whether certain groups under or over represented.
- Activities to improve employment opportunities and qualification and skill levels need to be compared with the performance and costs of other programmes, to determine whether these programmes perform better or worse than (for instance) the DWP Work Programme and how they perform in terms of costs per job entry.

Sources for some of this contextual data are well established and available from a range of bodies, including the Department for Communities and Local Government, the Census, other labour market datasets, and the Department for Work and Pensions.

Specific valuation methodologies employed for each project are outlined below.

7.2 Cost data

Cost data for each project was derived from annual SBHG income/expenditure budgets.

Costs of operating the general housing schemes, such as Affordable Housing and private settled accommodation were estimated from annual operating costs, and excluded capital items such as costs of finance and asset depreciation/appreciation.

7.3 Estimates based on output data

The output data used in this report was provided by SBHG, and no independent verification of this data was undertaken by CAN Invest.

A number of the outcomes (including some estimates of numbers of end users achieving them) are estimates only, and have not been verified through tracking data on end users and/or others experiencing these outcomes. As such, the valuations in this report are estimates only.

7.4 Impact Discount Factors

CAN Invest adopts an SROI-style stance to ensure that estimates of value created by SBHG are conservative (The SROI Network, 2012). Specifically, estimates of value for each outcome were discounted after consideration of several 'impact discount factors':

- **Attribution** - The extent to which any outcomes achieved are due to the work of SBHG rather than other agencies or organisations
- **Deadweight** – The extent to which identified outcomes would have happened anyway, without the intervention of SBHG
- **Displacement** – The extent to which any outcome achieve results in a direct, corresponding negative outcome elsewhere

Quantified estimates of each impact discount factor (in percentage terms, e.g. 50% attribution, 25% deadweight) were applied on an outcome-by-outcome, project-by-project basis.

To be conservative, we assume that SBHG takes at most 50% of the credit or 'attribution' for value created within many programmes, given that the people SBHG support will also receive support from other organisations.

7.5 Overarching Economic Impact

7.5.1 Gross Value Add (GVA)

Gross Value Add (GVA) is a standard measure of economic impact. Indirect GVA was estimated by classifying SBHG contractors and suppliers using SIC2007 codes from the ONS, and then multiplying SBHG's total expenditure for each industry by average GVA ratios to get an estimate of overall Indirect GVA.

- For industry classifications we have used the SIC2007 codes from ONS.
- For expenditure amounts we have used SBHG internal data.
- For GVA ratios we have used the Annual Business Survey (ABS) Revised 2011.

We were able to identify standardised industry codes (SIC) for approximately 80% of SBHG contractor spend. Averages of this spend was extended to the remaining 20% of SBHG spend.

Direct GVA was calculated from SBHG annual reporting as total expenditure less intermediate consumption as per the Crown Estate Total Valuation methodology (The Crown Estate, 2013). Jobs indirectly supported by SBHG through spend on suppliers and contractors was calculated using the same methodology as Indirect GVA above.

7.5.2 Employment

The same ABS survey table referred to above was used as this also provides data on FTE employment by industry. The same supply chain data for SBHG was used and the suppliers were categorised in the same way.

Jobs directly supported by SBHG were derived from SBHG annual reporting.

7.6 Green Growing and High Quality

7.6.1 Affordable homes

The benchmark rental rate used for both general needs and Affordable housing was the *Valuation Office Agency's monthly 'Local Reference Rents'* (VOA, 2013). This is calculated by the Agency's Rent Officers as the mid-point between what the Agency considers to be the highest and lowest non-exceptional rents in the locality, and is used as the benchmark to determine Housing Benefits.

We adopted the April 2013 figures for the 'Outer West London' locality. This is likely to be a conservative valuation, first to exclude property price rises during 2013/14, and also because the majority of SBHG's dwellings are in Hammersmith & Fulham, which is in fact an Inner London Borough. The VOA LRR rates are provided in Table 20 below.

Type of dwelling	1 room (board)	1 room (shared facilities)	1 room (self-contained)	2 rooms	3 rooms	4 rooms	5 rooms	6 rooms
Weekly rent	£145.25	£88.50	£132.71	£173.07	£219.23	£253.84	£288.46	£343.27

Table 20. VOA Local Reference Rates for Outer West London as of April 2013.

A snapshot of current rent arrears across all SBHG properties as of August 21st, 2014 provided the balance of arrears at that time. The total amount of arrears (£1,315,069.08) was divided by two to give the weighted average monthly arrears. This figure was multiplied by 1% to provide the total savings of rent arrears when compared with the cost of a loan from a Credit Union.

In terms of impact discount factors, a deadweight of 0% was used, as waiting lists for Housing Association general purpose housing are very long, often longer than the number of social rental properties that exist in most of the relevant boroughs. The only exception to this was for Affordable Rents, where deadweight was 59% as this is the proportion of affordable rents in the three relevant boroughs that were not provided by SBHG (DCLG, 2014).

Data sources:

- The market loan rate was provided by (Money Advice Service, 2014)
- Live tables on affordable housing supply (DCLG, 2014)
- Additional Affordable Housing Supply 2012/13 (DCLG, 2014)

7.6.2 Shared Ownership

The value of outcomes for these shared home owners was calculated as follows:

Holding equity

A weighted average of 60% equity of the 954 shared homes was owned by owner/residents (remainder by SBHG/LAs).

The value of holding equity in homes was calculated at 60% of the 10-year weighted average yearly increase in property prices in each of the five relevant London Boroughs (Ealing, Hammersmith & Fulham, Hillingdon, Hounslow, Richmond), less interest payments based on the UK 10-year average mortgage rate (4.7%), and less rent payments on 40% of property values.

Borough	Estimated number of properties	Average p.a. property price increase (2003-2013)	Lower quartile annual house prices (2013)	1 year increase in property value (assuming average 60% equity stake)
Ealing	247	4.4%	£250,000	£6,647
Hammersmith & Fulham	400	5.8%	£382,500	£13,406
Hillingdon	61	3.7%	£216,000	£4,830
Hounslow	206	5.8%	£220,000	£7,711
Richmond	40	4.5%	£320,000	£8,702

Table 21. Summary of property value appreciation in 5 core SBHG Boroughs.

Data sources used:

- Property prices and price increases for lower quartile of houses in relevant boroughs, derived from DCLG and Land Registry Data (DCLG, 2014a).
- Average rent prices based on SBHG data for 2 bed-house (NROSH submissions).
- Average mortgage rates over 10 year period based on Bank of England base rate data + 2% (Bank of England, 2014)

Fewer Property moves

- Assumed 318 house moves saved per year (954 properties lived in for an average 10 years vs 3 year average tenancy for SBHG general rental housing).
- Total cost of £114,480 per move, comprising £220 agency fees (Rentify.com, 2014), £40 van hire (Enterprisecar, 2014), and one day off work valued at £100 (assumes £20k household salary p.a.).

7.6.3 Private settled accommodation

We have used various values of positive outcomes to measure the financial impact including avoiding eviction and not using local authority temporary accommodation and the impacts of not engaging in anti social behaviour. The sources of these values come from the Manchester New Economy CBA model. It includes research conducted by Shelter (Shelter, 2010) and attributes the benefits of avoiding eviction to either fiscal or social benefits.

'The Economic and Social Costs of Anti-Social Behaviour' (Whitehead & Travers, 2011) presents a (non-updated) cost range from £100 - £1,000 for ASB incidents of this kind (ranging from a call-out together with some remedial action, to significant mediation/remediation; falling short of issuing an ASBO, as these are not used very often). It estimates an average cost of £500 per incident (updated to £648 to account for inflation).

HACT social value calculator estimates the average social value to be £6,403 per person who stops engaging in ASB (HACT, 2014, p. 14).

7.6.4 Supported housing for the elderly

Enabled outcomes were valued using the New Economy Manchester model. There are social impact values associated with improved well being arising from reducing isolation and emotional well-being: these values relate to adults in general and not specifically relating to the elderly. The Manchester New Economy model estimates the value of reduced isolation at £2,640 per person helped and £1,056 per person for improved emotional well being.

The economic and social impact of the work of the Umbrella Team was calculated using the same methodology as for the Small Repairs Service (methodology Section 7.7.3).

We assume 0% deadweight for this program, as waiting lists are an average of 26 months (lbhf.gov.uk, 2014).

7.6.5 Supported housing for young people

A single component of the Manchester New Economy model that dealt with the cost of temporary housing to local authorities. See Section 7.8.1 on page 57 below for further details of the model.

Our key assumption was that without the support all would have returned to supported housing.

The direct economic benefit was calculated by using the total turnover amount eg. Rent received for supported housing in the SBHG annual accounts, and applying a ratio based on the split of supported housing for young people and elderly.

7.6.6 Accommodation for homeless young mothers

The number of mothers achieving particular outcomes is estimated based on data received from SBHG for their Hounslow accommodation. Hounslow represents 47.5% of total SBHG accommodation for homeless young mothers, so total figures were based on this sample. The estimated 14% reduction in the number of young mothers avoiding adult homelessness is based on a reference benchmark of an estimated 28% rate for a similar homelessness intervention for single homeless youth analysed by CAN Invest as part of an independently assured SROI report (CAN Invest, 2013). The difference in the estimated rate is due to the fact that SBHG's project provides

support to their young mothers on weekday basis only (40 hours), rather than 24/7 support (168 hours) in the benchmark intervention.

The value of avoiding adult homelessness to the end users is estimated at £121,243 per person. This is derived from the same SROI report cited above. This figure already incorporates assumptions of 50% attribution and 25% deadweight, and references academic research that (a) the average difference in actual life expectancy between homeless and non-homeless people is 30 years, conservative estimates of 15 quality-adjusted life years (QALYs), and (b) individuals may be willing to pay at least £28,072 for one additional QALY. Please see (CAN Invest, 2013, p. 63) for further details.

The value of avoiding adult homelessness to Local Authorities is estimated at £24,323 per person, cited in the same SROI report above, and originally sourced from (Oxford Economics, 2009, p. 9).

7.7 Strong Communities

7.7.1 Home Improvement Agency (Aids and Adaptations)

A detailed breakdown of adaptations was only available for the work done with SBHA, but SBHG staff confirmed that this was typical for other areas as well. This breakdown showed that the kinds of adaptations provided by Staying First are broadly similar to those considered by the SROI study (Bield, Hanover & Trust Housing Associations and Envoy Partnership, 2012). This study included a standard estimation of attribution at 50%. Estimations of deadweight were assessed either using survey data or academic research, where deemed relevant.

While the use of this study provides an estimate of the value of the HIAA service because it relates to a similar service being provided, to arrive at a more accurate estimation of value SBHG will need to directly measure the outcomes of this service.

7.7.2 Housing, debt and welfare advice service

The proxy study (nef and Advice UK, 2010) used to estimate the value of this service was selected for valuation purposes because the analysis provided covers both debt and housing. The financial valuations used takes an average of the 'early intervention' and 'late intervention' examples provided in the nef and Advice UK report to account for the fact that Staying First likely encounters clients in a variety of situations. This report also has the advantage of taking account of attribution, deadweight and displacement in its calculations, so these do not need to be recalculated in this analysis.

As with the HIAA analysis, SBHG will be able to arrive at a more accurate representation of the value of its advice service by directly measuring the outcomes of this work for different stakeholders.

7.7.3 Small repairs service

Two potential methods of valuing the small repairs services were employed:

- Market price comparison: value each task completed by the likely cost it would have been for the tenant to secure an external contractor to complete the task.
- Wellbeing valuation: estimate the value that an improved home environment would be for an individual in terms of increased wellbeing, assuming the small repairs completed improved the home environment.

Data from SBHG was available for the type of client receiving the service, the category of work done, and an estimation of time taken for each task. These ‘cuts’ of data were not linked together.

It should also be noted that no account has been made of attribution in this analysis. The small repairs service may not be the sole reason why a client’s home would be deemed ‘good’ rather than ‘average’ in quality. If, for example, only 50% of the improvement in wellbeing could be attributed to Staying First, then the CBR would drop to 0.58.

As with the HIAA and advice services above, more accurate estimations would be possible by identifying the outcomes experienced by clients of the small repairs service (such as improved wellbeing or reduced falls) through stakeholder engagement and then valuing these outcomes directly.

7.7.4 Furnish

The detailed data collection and analysis conducted in 2012 has not been replicated in 2013, and as such it was decided to use the SROI report as a basis for calculating the value of Furnish in 2013/14. The analysis has been updated to categorise different types of value by value chain and value type.

A number of ratios were calculated for the SROI report in 2012/2013, and a comparison of these ratios is provided below. To ensure consistency across this report, the primary ratio we have used has been calculated using ‘total resources expended’ for Furnish (per the Staying First statutory accounts for 2013/2014) as the ‘input’ figure.

Ratio type	2012/2013 SROI ratio	2013/2014 Analysis		
		Direct Ratio	Enabled Ratio	Composite Ratio
Core Funding	2.70			
Gov’t investment only	2.12	1.94	0.23	2.17
Gov’t and HA only	1.69	1.80	0.22	2.01
Total resources expended		1.13	0.14	1.27

Table 22. Furnish Ratios

7.7.5 ASB specialist service

‘The Economic and Social Costs of Anti-Social Behaviour’ (Whitehead & Travers, 2011) presents a (non-updated) cost range from £100 - £1,000 for ASB incidents of this kind (ranging from a call-out together with some remedial action, to significant mediation/remediation; falling short of issuing an ASBO, as these are not used very often). It estimates an average cost of £500 per incident (updated to £648 to account for inflation).

HACT social value calculator estimates the average social value to be £6,403 per person who stops engaging in ASB, which would give a total benefit of £525,000: if all those who received support stopped engaging in ASB (HACT, 2014). Taking into account the costs of the programme this would deliver a net benefit of £300,000 or £2.33 for every £1 spent.

Our key assumptions:

- The number of incidents avoided is equivalent to the number of individuals referred to a support service stopped engaging in anti social behaviour. This is based on the rationale

that the 'threat' of further action from ASB officers enables perpetrators to work with support agencies to reduce anti social behaviour.

- Benefits occurring due to prevention of ASB continue for two years, with a 3.5% discount factor applied to the second year to derive a net present value.

7.7.6 Domestic violence support service

The method of valuing the project is based on 'The Cost of Domestic Violence up date 2009' [Walby, 2009], which estimates three types of cost of domestic violence the cost of (largely public) services provided to those who suffer domestic violence; the value of lost economic output; and human and emotional costs borne by victims.

According to(Walby, 2009), the fiscal and social cost per incident to the police, Local Authorities, the Criminal Justice Service and NHS was £12,351 in 2008 (or £13,832 in 2013 using inflators). Key assumptions of Walby 2009:

- Evidence-based estimates of the extent to which victims of domestic violence actually draw on services.
- Lost economic output limited solely to time off work due to injuries

Human and emotional costs are based on estimates of what people would pay to avoid suffering them the human and emotional costs of being injured. Our key assumptions:

- All 92 women used other services before engaging with the SBHG programme
- All 92 women had taken time off from work before engagement
- All 92 women would have been willing to pay something in order to avoid suffering the human and emotional costs of being injured.

7.8 Delighting our Residents

7.8.1 New Economy Manchester Model

Valuation of outcomes for several of SBHG's projects under their Delighting our Residents priority was undertaken using the New Economy New Economy Cost Benefit model (New Economy Manchester, 2014). This model estimates the value of three different types of benefits (or outcomes) associated with delivering a specific service or intervention within a project area:

- **Fiscal benefits** – savings to the taxpayer that are due to a specific project – for instance, reduced benefit costs (JSA, ESA and Income support for Lone Parents), health service, police or education costs;
- **Economic benefits** – gains which accrue to individuals – for instance, increased earnings – or the whole economy – for instance, increased GVA due to more people being employed;
- **Social benefits** – gains which accrue to society – for instance, improved health and wellbeing or increased satisfaction with the community.

The model's analysis timeframe is a five year assessment of costs and benefits which have been chosen to reflect the need to identify short term savings of a project to the public sector. For employment and training programmes administered by SBHG we estimate the BCR's for 'all' people who are workless and were referred and subsequently had a positive outcome. This includes people who were claiming benefits as well as those who were inactive but not claiming benefits.

The analysis includes the impact on a number of specific outcomes. These relate to estimated proportions of the cohort that need additional specialised help to get them work ready and therefore there are additional benefits on top of just benefit savings to the Exchequer.

Model Outcomes

The model values the benefit accruing to different stakeholders based on the following outcomes and benefits:

Outcomes	Benefits	Who does benefit accrue to?
Increased employment (reduced benefits payments and health impact)	1) Fiscal benefit of moving people off benefits and into work 2) Improved health outcomes 3) Increased income	1) DWP/HMT 2) DH 3) Individuals
Improved skill levels	Increase in earnings amongst residents achieving Level 2	Population without Level 2 qualifications
	Increase in earnings amongst residents achieving Level 3 progressing from Level 2	Population qualified to Level 2 but not qualified to Level 3+
Mental health	Reduced health cost of interventions	NHS/Individuals
Reduced incidents of crime (all crimes)	Reduced police, other criminal justice costs, health costs per actual crime (N.B. Use multipliers to convert from recorded crime or convictions)	Police, CJS, NHS
Housing evictions	Reduced costs of legal proceedings and repair of property	RSL
Reduced statutory homelessness	Reduced costs of temporary housing etc.	LAs
Reduced incidences of taking children into care	Reduced cost of safeguarding	Children's Services
Reduced drug dependency	Reduced health and criminal justice costs	NHS, Police, CJS
Reduced alcohol dependency	Reduced health and criminal justice costs	NHS, Police, CJS
Reduced persistent truancy (<85% attendance at school)	Improved health, reduced crime, increased earnings	NHS, Police, Individual
Improved well-being of individuals	Increased confidence / self-esteem	Individual
	Reduced isolation	Individual
	Positive functioning (autonomy, control, aspirations)	Individual
	Emotional well-being	Individual
Improved family well-being	Improved family relationships	Family
	Positive functioning (autonomy, control, aspirations)	Family
	Emotional well-being	Family
Improved children's well-being	Confidence / self-esteem	Children
Improved community well-being	Sense of trust & belonging	Community
	Positive functioning (autonomy, control, aspirations)	Community
	Improved relationships	Community

Table 23. Outcomes and benefits incorporated within the New Economy Manchester cost-benefit model.

Using the model

If data on the specific outcomes achieved for each project are not held by SBHG, then estimates of the total population of end users engaged by SBHG that are likely to benefit from the above outcomes are made using public data, namely DWP statistics for the Hammersmith and Fulham area and Census statistics on those who are inactive by tenure). To this cohort we apply proportions for various groups from various sources, for example:

- Qualification levels of those out of work and number of children in workless families from the Census;
- Those with mental health issues claiming ESA from DWP;
- Eviction rates in H&F from Shelter;
- Local Re-offending rates for H&F from the Home Office;
- Truancy rates for H&F from DfE;
- Drug and alcohol abuse rates in H&F from the NHS.

The model then takes these cohorts and asks for *impact rates and deadweight* calculations. Deadweight proportions (what would have happened anyway) can be calculated for benefit claimants from DWP flow rates at the local level plus other research on 'into work' movements. The difference in the job outcome rate for the SBHG programme and the deadweight rate is the additional value.

The Manchester model takes the additional impact above deadweight and apportions it to fiscal, economic and social benefit gains in monetary terms – these are imbedded in the model and have been collected by Manchester New Economy. These are based on national averages and collected from a variety of sources (some figures are based on academic papers from the past which have then been updated to present values using inflators).

We then input the costs of the project (provided by SHG) to calculate cost benefit ratios. The model makes further adjustments to take into account optimistic bias. The model makes additional calculations to calculate monetary fiscal values from better health and reduction in crime (on top of those related to simple savings to the Exchequer through welfare benefit savings) from moving people into work.

Finally, the model then apportions the benefits to different agencies based on pre set percentages estimated by Manchester New Economy.

7.8.2 Employment, training & Volunteering service

The New Economy Manchester model was used to calculate the majority of these values.

The value of social benefits of digital inclusion (£328 per person) was estimated using average household weekly spend on audio-visual equipment, including computers (ONS, 2012).

The value of social benefits of volunteering was estimated using HACT calculations of the social value that individuals place on a variety of activities, including volunteering (Fujiwara, Daniel; HACT, 2013, p. 36).

Assumptions:

Costs are made up of:

- Investment in apprentices = £250,000

- Employment initiatives and Apprentice salaries = £115,000
- Overheads = £90,000
- Volunteering sundry costs = £8,000
- Less the cost of STEP = £15,000

Some of the cost for employment initiatives may include other programmes.

7.8.3 Church Street Nursery

As with SBHG's Delighting our Residents projects, the New Economy Manchester cost benefit model [2013] was used to value the enabled employment and education outcomes for parents of children at Church Street Nursery.

For general assumptions of the New Economy model, please see Section 7.8.1.

Our assumptions:

- Parents who have entered employment or training were unemployed and claiming JSA before putting their children into nursery, and 50% would have got a job or a training place without the help of affordable nursery places (50% deadweight).
- The direct value of nursery care (excluding enabled value) equivalent to costs.
-

7.8.4 InComE

The New Economy Manchester Model was used to value outcomes. Please see Section 7.8.1 for details of the model. The Cost Benefit Analysis (CBA) for the InComE programme assumes that residents are in receipt of DWP benefits.

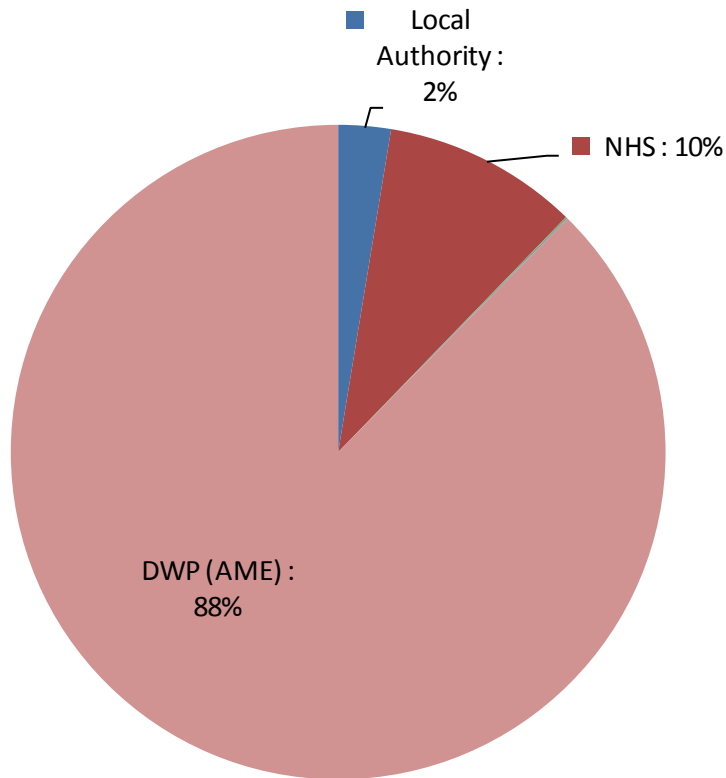
Further assumptions made:

- Each case worker supports 35 clients (Young Foundation, 2010)
- Deadweight of 34% (Young Foundation, 2010) next to impact rate of 84.2% for InComE during 2013-14

Our valuation differed from the prior cost benefit analysis of the project (Young Foundation, 2010) in the following ways:

- Updated benefit eligibility rules, to align with government policy changes
- Incorporation of deadweight estimates
- Incorporation of costs associated with case worker ratios
- Additionally, the calculations for the savings in the CBA analysis in 2010 was made from four different perspectives:
 - Savings to welfare benefits:
 - Reduction in the demand for bigger homes and thereby a reduction in HCA grant
 - Tailored training and employment support which is increasing earnings capacity per client and decreasing the public finance costs associated with each 'NEET' client
 - Savings made to the local NHS, police and education budgets through tackling overcrowding.

Figure 9. Fiscal benefits (New Economy model CBA)



7.8.5 Into Work, Into Housing

The New Economy Manchester model was used to estimate fiscal and social value, and we assumed that assisted residents are able to move into more permanent accommodation, with savings associated with the reduced risk of being in temporary housing.

Economic value was related to fewer property moves and was calculated using the same assumptions as Section 7.6.2 *Shared Ownership*.

7.8.6 STEP

The New Economy Manchester model was used to calculate these values, with the assumption that end users are in receipt of DWP benefits.

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9. References

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