

Trident Reach – Homeless Link Transition Fund Project

Social Return on Investment (SROI) Forecast

Interim Report on Offender Support

First Draft

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1 Introduction

1.1 The Trident Reach's Homeless Link Transition Fund Project

Trident Reach's Homeless Link Transition Fund Project was set up to establish sustainable pathways into accommodation for homeless people leaving hospital or prison and at risk of rough sleeping in the Birmingham area. The existing pathways into accommodation were confusing, incoherent and complex.

The Homeless Link Project therefore sets out to achieve the following:

- Establish a Multi-Agency Partnership (MAP) to develop and implement protocols and referral processes for discharged at risk of rough sleeping hospital patients and released offenders
- Secure a bank of Private Sector Landlords committed to offering accommodation to discharged hospital patients and released offenders
- Pilot and evaluate the protocols and referral systems with 50 hospital patients and offenders
- Support the successful progression into RSL or PRS accommodation of 100 discharged patients and released offenders at risk of rough sleeping

After an initial research period, the Project Steering Group agreed that the study should go beyond calculating a figure for the social return on investment (SROI) to providing a forecast tool that aids planning. The Project Steering Group also agreed to divide the SROI study into two separate parts. While there are similarities with certain issues, there are differences in the outcomes for patients being at risk of homelessness when discharged from hospitals and offenders released from prison.

1.2 Purpose of the Interim Report

This interim report is the SROI forecast for the offender part of the Homeless Link Transition Fund Project. It is not an evaluation of the actual impact of the project. The purpose of the interim report is to:

- Explain the approach taken and assumptions made
- Set out the outcome indicators and proxy financial figures
- Present a first forecast of the social return on investment

The interim report is written as an internal document and should be read together with the excel file detailing the figures used to construct the SROI Impact Tables. The forecast will be further improved subject to feedback received. Once the forecast is agreed a public facing document can be produced.

1.3 Scope of the SROI Forecast

The scope of the study is limited to the impact resulting from the project team supporting 50 released offenders at risk of homelessness when discharged from prisons in and around the Birmingham area. It should be noted that this is a forecast SROI based on assumptions regarding the numbers of released offenders supported and the levels of improvements due to the project over a year.

Although the project is funded over 2 years, the period of a year was chosen for the following reasons:

- The first 12 months was spent mostly recruiting the project team, reviewing existing processes, setting up the Multi-Agency Partnership and developing the protocols and referral processes
- The SROI forecast is based on the question: what is the value created from the new protocol and processes for supporting 50 released offenders at risk of homelessness

It is possible that some outcomes will have impacts lasting more than one year, for example, released ex-offenders who continue to stay in accommodation in subsequent years will continue to enjoy the benefits of reduced risks of crime, better health and more opportunities for gaining employment. Although the forecast is only for one year, the final evaluation can take into consideration the possible impacts in the second and possibly subsequent years.

It should be noted that this is not a forecast of the value generated by the Homeless Link Transition Fund Project as a whole, but of returns created from running a new working procedure. The aim is to determine, when the final SROI evaluation is undertaken, whether the new working procedures provide value for money and should therefore continue with further investment and funding.

1.4 The Interim SROI Forecast

Assuming 50 to be released offenders at risk of homelessness is supported in a year at a cost of £61,559 the generated social return is as forecasted below:

1. A forecast based only on benefits to government agencies (ie the criminal justice system, local authority, government and health services) would generate a social return of 3.2
2. A forecast based on benefits to government agencies plus the ex-offenders at risk of homelessness would generate a social return of 19.
3. The high return of 19 is due to impact of sexual assault on an individual. If sexual assault is excluded from the forecast the return is 8.

2 Methodology

2.1 SROI Model

SROI is an adjusted cost–benefit analysis ‘holistically’ identifying the various impacts made and experienced by stakeholders of an activities or project and putting a monetary value on the social, economic and environmental benefits and costs created. The value created is expressed as a ratio to the investment made i.e. a SROI of 4:1 would mean that for every pound invested in the project a social value of 4 pound was created.

The SROI model used in this study is based on the standard guidance published by the Cabinet Office for the Third Sector (Guide to Social Return on Investment, 2009). The model consists of the following stages:

Stage 1: Scope and stakeholders

- Establish scope of study
- Identify stakeholders and deciding how to involve stakeholders

Stage 2: Mapping outcomes

- Start on the Impact Map
- Identify and valuing inputs
- Clarify outputs
- Describe outcomes

Stage 3: Evidencing outcomes and giving them a value

- Develop outcome indicators
- Collect outcomes data
- Establish how long outcomes last
- Put a value on the outcome

Stage4: Establishing impact

- Identify deadweight, displacement, attribution and drop off

Stage 5: Calculating the SROI Return

- Add up all the benefits, subtracting any negatives
- Compare the results to the investment

Stage 6: Reporting and embedding

- Share findings with stakeholders
- Embedding good outcomes processes and verify the report

The data obtained for the first 5 stages listed above are then presented in one table as an Impact Map.

2.2 Research Methods

The outcome indicators, proxies, estimated financial values and levels of improvements, as a result of the new working procedures, were either gathered during stakeholder interviews and workshops or from the desk research of reports, research and statistics.

Working with Client and Funder

After initially working with the Trident Reach management to clarify the brief and agree a working plan, a number of workshops were carried out with the project team to explain the SROI Methodology, identify stakeholders and outcomes and discuss working procedures. The SROI methodology and our approach were then agreed with the Steering Group Meeting in August 2012.

A visit to Homeless Link also clarified some of the funder's requirements for the study. Homeless Link also suggested a number of relevant background research material.

Desk research

Desk research identified relevant SROI studies and research studies in the homelessness, health and offending sectors, as well as national statistics to identify proxies and financial estimates. A list of documents consulted is attached to Annex A.

Stakeholder Interviews

Interviews were undertaken with frontline staff and representatives of stakeholders to explain the SROI methodology, discuss the pertinent issues relevant to the specific stakeholder, including the potential impact of the project for the stakeholder. Where possible, indicators for outcomes and possible financial proxies were identified together with the stakeholder.

A list of stakeholders consulted in the SROI study is attached to Annex B.

2.3 Monitoring

Although national statistics and data from previous research have been used to quantify the outcome indicators and financial proxies they do not necessarily reflect local realities. Hence, the data used in the SROI forecast should be updated as local data become available through project monitoring activities or from new published research and statistics. Also, the assumptions made regarding the number of clients supported and the levels of improvements achieved should be checked and replaced by actual monitored data towards the end of 2013.

The Trident Reach's project team will be monitoring their clients and outcomes by adapting a number of existing monitoring tools: including SSP, Trident Reach internal, Outcome Star and the Homeless Link Health Needs study. It was also agreed that where possible attempts were made to minimise monitoring requirements from external stakeholders, as there are issues over collaboration, data access and data compatibility across the prisons involved.

3 Forecasting the Impact

The following sections describe the assumptions and rationale behind the forecast Ex-Offender SROI Impact Map.

3.1 The Stakeholders

The stakeholders included in the impact analysis are:

- released offenders at risk of homelessness
- criminal justice system
- health providers
- local authorities
- prison resettlement teams
- support organisations (i.e. Trident Reach)

Released offenders who are at risk of homelessness are included as they would directly benefit from being put into accommodation on release. The new working procedures are expected to have impacts on local authority and health providers and the criminal justice system.

Prison resettlement teams and support organisations are also likely to be affected as the way they support released offenders would change as new protocols and processes are developed by the project.

3.2 Input

The input is based on the following calculation:

- The project budget for Year 2 of the project £123,118. The budget is equally divided into 2 parts - one for the released offenders and the other for the discharged patients
- Hence , the input for the released offender part of the project is £61,559

At the end of the 12 month period, the data to accurately estimate actual inputs should be available and adjustments can be made for the final SROI evaluation.

The forecast assumes that no inputs are required from the stakeholders.

3.3 Outcomes for Released Offenders

Released offenders benefit from the support provided in the following ways:

- Released offenders in accommodation are less likely to become victims of crime
- Supported released offenders in appropriate accommodation are less likely to reoffend

- Released offenders in accommodation are more likely to engage in training, look for work or volunteer

a) Released offenders in accommodation are less likely to become victims of crime

Living in Fear (Crisis 2005) reported the experience and incidents of victimisation of homeless people in central London, Oxford and Cambridge over a year. 67% of homeless people were victims of theft, 43% reported damage to belongings, 52% experienced violence and 8% sexual assault. The Home Office's 'Economic and Social Cost of Crime' provided data on the average financial cost of the physical and emotional impact on victims and average value of property damaged or stolen.

If the 50 supported offenders are in accommodation instead of rough sleeping, they are less likely to be victims of crime. Assuming that they may experience 50% less incidents for the 4 selected relevant offenses (theft, damage, common assault and sexual assault), the expected cost savings is calculated to be £832,594. This high figure is due to the financial cost attributed to victims of sexual assault. If this factor was taken out the expected cost savings dropped to £160,560.

b) Supported released offenders in appropriate accommodation are less likely to reoffend

The National Audit Office report '*Managing Offenders on Short Custodial Sentence's* (March 2010) states that 'over 60,000 adults per year receive custodial sentences of less than 12 months' and 'account for some 65 per cent of all sentenced admissions and releases'. 'They are also more likely to re-offend: around 60 per cent are convicted of at least one offence in the year after release'.

The Ministry of Justice's Statistic Bulletin, *Local Adult Reoffending* (Nov 2012) gives adult re-offending rates for Birmingham as 6.64 and predicts reoffending rates of 8.2 for the following year. However, these rates do not include offenders ages 22 or over who have been released from custodial sentences of less than one year.

For the SROI forecast, it is assumed that 65% of released offenders in the client group would have had a sentence of less than 12 month with a 60% likelihood to re-convicted. 35% would have sentences longer than 12 months of which 8% may be re-convicted. A re-conviction would result in the offender accruing costs due to rent arrears, loss of income and loss of possessions.

If as a result of being placed in accommodation the re-conviction rate would reduce by 30%, the calculated savings is £6,207.

c) Released offenders in accommodation have more opportunities to engage in training, look for work or volunteer

The Oxford Economics Social Return on Investment study on Crisis Skylight '*Ready for Work*' program in 2009 estimated the benefits when a client is working (minimum wage), volunteering and in education and training. Based on the experience of Trident Reach Washington Court site it is forecasted that 10% of the released offenders supported would

gain employment, 15% would enter volunteering, 15% would attain education level 1 and 78% would undertake general skills training.

The estimated benefits to these ex-offenders as a result of the support given are £133,939.

Other Outcomes:

The following outcomes were considered but not included in the SROI forecast.

- According to the Birmingham Homeless Health Need Audit (2010) about 442 episodes of ill health could be expected for the 50 ex-offenders supported by the project. Each episode would carry some cost for the individual to cover items such as over the counter medicine, taxis and phone calls. As people in accommodation are expected to have better health than rough sleepers there should be a reduction in health episodes. As the data to estimate this cost and the potential savings are not available this outcome has been excluded. The outcome could be included in the final SROI assessment if monitoring data shows that the financial cost is significant.
- Although some of the ex-offenders would already have their benefits sorted before release, the support from the project may maximise all the benefits they are entitled to. This outcome is for the time being excluded as the proxy data for estimating the potentially maximised benefit is not available. However, the project team can track this outcome and it can be considered for inclusion when the financial figures are available.
- Released offenders in appropriate accommodation and with support can be expected to report better wellbeing, mental health improvements and improved confidence and independence. The potential benefits to the client as a result of better health would be less ill health episodes and to the take up of employment, training or volunteering opportunities. The benefits from take up of employment, training or volunteering have already been included.

3.4 Outcomes for the Criminal Justice System

Although no specific extra inputs from the Police or Courts are required there is a potential benefit for the criminal justice system. A report by the Social Exclusion Unity, 'Reducing reoffending by ex-prisoners' (2002) highlights that stable accommodation can bring about a 20% reduction in reconviction rates of ex-prisoners.

The Crisis report 'Living in Fear' (2004) provided a breakdown of the range of self confessed offences committed by homeless people. These offences can range from theft and criminal damage to fighting, selling and buying drugs and handling stolen goods. The report also noted that 48% of the respondents had been arrested in the past year.

Cost of crime figures were taken from the Home Office Economic and Social Cost of Crime' statistics (2010), the Home Office- Measuring the harm from illegal drugs using the Drug Harm Index 2005 which provided the cost of a drug arrest in 2000 and the Sainsbury Centre for Mental Health report 2009 'A Better Way for Criminal Justice and Mental Health'.

Assuming a 20% reduction in reconviction rates, the estimated savings is £66,156 for the criminal justice system.

3.5 Outcomes for the Local Authority and Government

For local authorities the outcomes are:

- Freeing up of Council housing stock and savings due to released offenders being placed in private sector accommodation
- Supported ex-offenders in accommodation has greater opportunity to gain employment, thereby reducing need for benefits
- Reduction in local authority staff time supporting offenders
- Reduction in incidences of abandoning council accommodation

The estimated financial benefits from the above 3 outcomes are:

- a) The Crisis 2008 report 'Private Access, Public Gain' estimated cost savings of £3,000 and £4,900 where clients can be released early by placements in private sector accommodation or when they are moved on from hostels. Assuming that 40% of the project clients will be placed with private sector landlords, the estimated savings after adjustment for inflation is £81,449.
- b) In section 3.3, it was forecasted that 5 of the ex-offenders would gain employment. Assuming that these are minimum wage full time employment the ex-offenders would be contributing income tax and national insurance, as well as no longer claiming benefits. In 2009/10, Ready for Work, a Business in the Community programme estimated that their clients would have been claiming an average of £174.74 per week. Assuming that this sum is not claimed by the 5 employed ex-offenders the expected gain to the government is £10,131.
- c) When offenders are released into appropriate accommodation and support arrangements without using local authority staff or neighbourhood offices there is a saving in staff time. However, data on the time spent by local authority staff, and the possible time savings, are currently not available. This outcome has therefore been excluded
- d) Some released offenders at risk of homelessness will face further episodes of homelessness despite services of resettlement and support teams, thereby taking up additional staff time. Whether the project can reduce such episodes for individuals placed in local authority homes or individuals going back to local authority services will require monitoring. This outcome has been excluded from the SROI impact analysis as the data needed is not available.

3.6 Outcomes for the Health Service

The potential outcomes for health providers are:

- reduction in acute hospital services used

- increase in GP registration and visits
 - Increase in use of mental health and substance abuse services
 - Time saving for health care staff
- a) The Birmingham Homeless Health Needs Audit 2010 identified the use of acute health services by homeless people and the average cost per episode can be obtained from the '*Unit cost of health and social care 2011*'. By extrapolating the data for outpatient clinic, A&E, ambulance, elective and non elective short and non elective long hospital stay the cost, and assuming a 30% reduction in the need for acute services, the estimated savings is £43,293.
 - b) Better supported ex-offenders in accommodation are more likely to register with and see their GPs or use walk in clinics. The Birmingham Homeless Health Needs Audit 2010 identified the use of GPs and walk-in clinics by homeless people. Assuming a 30% increase and using the average cost from the '*Unit cost of health and social care 2012*' the additional cost would be £6,641.
 - c) The Birmingham Homeless Health Need Audit also identified individuals with drug, alcohol and mental health issues. Of the drug users 12.8% received some support and 23 % of those with mental health problems had some medication or treatment. Although it is possible that better supported ex-offenders may have less problems, thereby reducing their use of health services, it is also probable that the uptake of health services may actually increase. Without data to make informed judgements this outcome has not been included in the SROI forecast.
 - d) Health care staff has indicated (from interviews) that the project would help them to save time in being able to locate patients at a settled address. Quantifying this outcome would require monitoring from the health care staff, which is currently not available. Also, the anticipated savings is likely to be small (see sections 3.6 and 3.7 below).

3.7 Project Outcomes for Prison Resettlement

For the prison resettlement teams the outcomes from the project are:

- Reduction in delays of releasing offenders due to collaboration with project
- Time saving in resettlement of difficult to house offenders due to collaboration
- Improved moral and satisfaction of staff resulting in less sick leave/absenteeism

The estimated financial benefits from the above 3 outcomes are:

- a) The Prison Reform Trust's Bromley Briefings (June 2012) states the average annual overall cost of a prison place in England and Wales (for financial year 2010-11) is £39,573 i.e.£108 per day. However, without further research by the prison services it not possible to say how many days delay would be saved for the 50 to be released offenders.
- b) Resettlement staff at Hewell Prison indicated during interviews that there is a reduction of 20% in staff time when collaborating with the Trident Reach team. However, as they were

not able to provide data on the average hours spent in processing soon to be released offenders, the potential benefit cannot be calculated.

- c) Although better working procedures can result in higher staff satisfaction, better motivation and reduced sick leave, it would be conjecture to estimate the reduction in sick leave/absenteeism due to the improved working procedures.

Overall, although the Prison Resettlement teams would have some benefit from the new protocol and working procedure, there is insufficient data to estimate the financial outcomes. This stakeholder is therefore not included in the SROI forecast.

3.8 Project Outcomes for Support Organisation (Trident Reach)

There are a number of support organisations besides Trident Reach such as Midlands Heart, Homeless Service Centre, SIFA, Crisis, the Salvation Army and other social, mental or physical support services that the project could impact on. However, quantifying the benefits for these organisations would be complex and would require research collaboration, which is currently not available. It was decided therefore only to focus on Trident Reach.

Other than the funds from the project no other input is assumed from Trident Reach. The expected outcomes for Trident Reach from the project are:

- Released offenders with appropriate support services and accommodation will be less likely to be involved in incidents and anti social behaviour in Trident Reach's premises
- Reduction in stress when clients' needs are better supported and raised staff satisfaction
- Reduction in pressure on Trident Reach's emergency and other accommodation

The estimated financial benefits from the above 3 outcomes are:

- a) Trident Reach estimated that each incident cost on average £100. Unless incidences happen at a high rate, any potential reduction would result in small savings that would make no difference to the SROI forecast. If the monitoring data shows that the numbers are significant, this outcome can be considered and added when the final SROI is evaluated.
- b) More effective procedures should result in less stress, better outcomes, better communication with other service providers, new skills and capacities. Trident Reach's Key Performance Indicators indicated that there was 6.78% sick leave hours lost in 2011/12. Even if a high improvement rate of 50% is assumed, the estimated of approximately £2,151 is too small to have any significant impact on the SROI forecast.
- c) Planned re-settlement and placing released offenders with Private Sector Landlord will lead to a reduction in pressure on Trident Reach's emergency and other accommodation. Again, Trident Reach will need to monitor this and if the numbers are significant, the outcome can be added.

4 The SROI Forecast

The table below summaries the financial outcomes for each of the stakeholders.

Stakeholders	Benefits	Benefits (excluding sexual assault)
Released Offenders	£972,740.34	£297,852.36
Criminal Justice System	£63,156.31	£63,156.31
Local Authority and Government	£99,394.28	£99,394.28
Health Services	£36,651.85	£36,651.85
Total	£1,171,942.78	£497,054.80

Several forecast scenarios can be made:

1. A forecast based only on benefits to government agencies (ie the criminal justice system, local authority, government and health services) would generate a social return of 3.2
2. A forecast based on benefits to government agencies plus the ex-offenders at risk of homelessness would generate a social return of 19.
3. If sexual assault is excluded from the forecast the return is 8.

The SROI forecast is highly sensitive to whether certain outcomes are included or excluded.

We have assumed for the time being no deadweight, displacement, attribution and drop off. These factors need to be considered and a judgement when the SROI evaluation is conducted.

It is also sensitive to the number of clients supported over a year. For the forecast, we have assumed 50 ex-offenders supported. However, if the team were to support 100 clients, the forecast return would double.

Annex A: References:

- a) Cabinet Office forte Third Sector (Guide to Social Return on Investment, 2009)
- b) Living in Fear: Violence and Victimization in the Lives of Single Homeless People, Newburn, Rock Crisis 2005
- c) The economic and social costs of crime against individuals and households, Home Office 2003/04 and the Revisions made to the multipliers and unit costs of crime used in the Integrated Offender Management Value for Money Toolkit, September 2011
- d) Birmingham Homeless Health Need Audit . Homeless Link 2010?)
- e) Social Exclusion Unit (2002) *Reducing reoffending by ex-prisoners*. London – in *A place to live*, Briefing 43, Centre for Mental Health Dec. 2011
- f) Ministry of Justice’s Statistic Bulletin, *Local Adult Reoffending* (Nov 2012)
- g) National Audit Office report ‘*Managing Offenders on Short Custodial Sentence’s* (March 2010)
- h) Crisis (2003) report – How Many How Much
- i) Explanation of the SROI calculation for Crisis Skylight Education, training and employment centres for Homeless People, Oxford Economics, October 2009
- j) Bromley Briefings Prison Factfile, June 2012, Prison Reform Trust
- k) Research into the financial benefits of the supporting people programme, Communities and Local Government (2008)
- l) Unit Cost of Health and Social Care 2011
- m) Unit Cost of Health and Social Care, Personal Social Services Research Unit, Lesley Curtis, 2011
- n) Research into the Financial Benefits of the Supporting People Programme, Communities and Local Government, 2008
- o) Healthcare for Single Homeless People, Office of the Chief Analyst, Department of Health, March 2010
- p) ‘*Private Access, Public Gain*’(Crisis 2008)

Stakeholders Consulted:

- a) Trident Reach (project staff and management)
- b) Birmingham City Council (Housing)
- c) Housing Sandwell Council (Housing)
- d) Hewlitt Prison (resettlement staff)
- e) Probation Service /NACRO
- f) Moseley Hospital (Discharge staff)
- g) Queen Elisabeth Hospital (AE and HR staff)
- h) Health Exchange
- i) Midland Heart
- j) SIFA Fireside
- k) Fire Service
- l) Project Strategy Group
- m) Homeless Link

Outstanding:

- Service users
- Possibly Birmingham and Solihull Mental Health Trust