The economic and social return of Action for Children's Family Intervention Team/5+ Project, Caerphilly

September 2009

Backing the Future: SROI report

Contents

The analysis presented in this report has been developed by **nef** (the new economics foundation) through engaging with many stakeholders including Action for Children. However, overall responsibility for the contents of the report rests with its authors.

Section 1. Introduction and background

This document accompanies a larger report *Backing the Future: why investing in children is good for us all*, which is the culmination of a programme of research carried out in partnership between Action for Children and **nef** (the new economics foundation).

Backing the Future demonstrates the economic and social case for preventing social problems from emerging in the first place, rather than fixing them after they have occurred. It also shows the need for early intervention if and when problems do arise to stop them becoming entrenched. By making the transition to a more preventative system, the UK will improve children's well-being, create a better and more just society, and support our economy by being less wasteful economically and making far better use of our shared but increasingly scarce public resources.

As part of the research **nef** has conducted *Social Return on Investment* (SROI) analyses on three of Action for Children's projects across England, Wales and Scotland.

SROI is a rigorous measurement framework that helps organisations to understand and manage the social, environmental and economic value that they are creating. It is essentially a form of adjusted cost-benefit analysis which takes into account the full range of social and environmental benefits and puts a value on some less tangible outcomes such as improved family relationships. By considering a wider range of effects, it moves the debate away from saving money from public investment, to a more comprehensive understanding of what is created as a result.

The use of this type of analysis has several benefits. It enables all outcomes to be considered jointly, expressing all relevant costs, benefits and their relative significance. It enables commissioners of children's services to see beyond the simple unit-cost of services and instead focus on the long-term impact, and trade-offs between competing priorities are made explicit. Negative consequences (intended and unintended) are also accounted for. For organisations, it supports their own strategic planning, highlighting where value is being generated and enabling them to get to better understand their 'theory of change'.

The focus of this report is the SROI analysis of Action for Children's Family Intervention Team / 5+ Project in Caerphilly, Wales. **nef** (the new economics foundation) has also conducted SROI analyses of the East Dunbartonshire Family Service in Scotland and the Wheatley Children's Centre in Doncaster, Yorkshire

Section 2. SROI methodology

The SROI methodology[1] employed to analyse the Family Intervention Team / 5+ Programme consisted of the following approach:

Phase 1: Setting parameters and impact map

Boundaries

- Create the framework for the analysis — what part of the organisation, or individual project is to be measured — and prepare background information.
- Describe how the project or organisation works and decide the time period for measurement.

Stakeholders

- Identify the stakeholders whose costs and benefits — associated with the investment or organisation — are to be measured
- Prioritise key stakeholders and objectives. Materiality – the accountancy term for ensuring that all the areas of performance needed to judge an organisation's performance are captured – is used in the selection of stakeholders and objectives.
- Identify common or overriding objectives.

Stakeholders
Those people or groups who are either affected by or who can affect policy.

Impact map
An impact map demonstrates how an organisation's inputs and activities are connected to its outputs and how in turn these may affect stakeholders' outcomes. Impacts can then be derived from the identified outcomes.

Impact map

- Conduct stakeholder engagement to assist in the creation of an impact map that describes how the organisation/investment affects key stakeholders.

Phase 2: Data collection

Indicators

- Identify appropriate indicators to capture outcomes

Valuation

- Using findings from stakeholder engagement and existing research to generate proxies to put financial values on all outcomes.

[1] The **nef** SROI methodology adheres to both SROI-UK and SROI-Europe principles of SROI.

Data collection

- Use tried and tested sources to gather the data – required by the impacts laid out in the impact map – for accurate measurement of identified costs and benefits.
- Decide on an appropriate benefit period for each outcome and the extent to which those outcomes drop off over time.

Phase 3: Model and calculate

Model and calculate

- Create a cost-benefit model using gathered data and projections:
  - Calculate the present value of benefits and investment, and the SROI ratio.
  - Use sensitivity analysis to identify the relative significance of data.
  - Account for the displacement, attribution and deadweight of the organisation/investment under review.

Phase 4: Report

Report

- Consider and present the SROI produced by the organisation/investment.
- Identify how the benefits are divided between stakeholders.
- Identify the key factors that affect the SROI ratio.

Section 3 outlines how the above methodology was applied in the context of the assessment of the Caerphilly Family Intervention Team / 5+ Project.

Section 3. The FIT / 5+ Project

Introduction

The Family Intervention Team (FIT) has been running in Caerphilly since 2005. It was set up as a preventative, early intervention service for young people and children (from about 5 to 14) and their families, where there are recently emerging emotional, behavioural or mental health issues.

Based on the success of FIT, an additional project, the 5+ Team, was setup in 2007. Sharing the same principles as FIT and working out of the same offices, the 5+ Team can accept more children from the age of 5 to 10.

Both FIT and the 5+ Team work on the basis of brief, intensive interventions, usually limited to 12 weeks. Referrals are made from a variety of sources, with most coming from schools or GPs. The teams have the flexibility to work at times and locations that suit the families and benefit from having more time to give each individual family than is usually the case for social workers and health professionals.

Stakeholder engagement

SROI places stakeholders at the heart of its analysis, i.e., it is those affecting and being affected by the intervention that are best placed to identify where value is accruing. Without this input, measurement is unlikely to capture what really matters to people and be relevant to their lives. **nef** spoke with a number of stakeholders in Caerphilly as part of this research. Not all of those stakeholders were taken forward to data collection, as not all of them were 'material' to the analysis.

Table 1 summarises this stage.

Materiality
Materiality is about considering what is most important or central to the analysis. The concept of materiality helps evaluate whether a piece of information, if excluded, would significantly alter the conclusions a person comes to about an organisation's activities. It is possible for a stakeholder to be very important to an organisation without being material to an SROI analysis.

Impact maps

The process of engaging with stakeholders enabled a theory of change, or *impact map* to be articulated for the FIT / 5+ Project. An impact map demonstrates how the activities of a project are realised in the form of outcomes. Figures 1–3 show the impact map for children, parents/carers and siblings.

There are a number of key points to note about the outcomes for children:

- One of the principles of SROI is that stakeholders are usually best placed to say what outcomes a certain programme or project delivers for them. However, any work with children, particularly young children, necessarily relies on the input from families and those who work with the children. Figure 1 is therefore drawn from interviews with parents and FIT / 5+ Team members as well as the children themselves.

Table 1: Stakeholder audit trail

Stakeholder	Rationale for inclusion/ exclusion	Method of engagement	No. engaged
Children	Included – primary beneficiary	One-to-one interviews, with parents and/or *Action for Children* staff present when necessary	8
Families and siblings	Included – primary beneficiary	One-to-one interviews: 8 in person with current users, 7 over the phone with former users	15
The State	Included – savings across a range of service areas	Policy documents / academic research	n/a
Staff	Excluded – likely to be able to get jobs elsewhere if project did not exist	Although not included, staff were engaged throughout the project	n/a
Schools	Excluded – not material as benefits are primarily to children, not to school		n/a
Referrers	Excluded – not material as no direct benefit from programme		n/a
Action for Children	Excluded – not material as no direct benefit from programme		n/a
Other Commissioners	Excluded – not material as no direct benefit from programme		n/a

- The primary level outcomes were identified by most stakeholders, i.e., children and parents. For many, these outcomes (in particular behaviour improvement) were the main rationale for using the service.
- Many stakeholders (but not all) were able to map these primary level outcomes through to what we are calling 'secondary level outcomes', and some were able to map through to long-term outcomes. During the interviews, many parents expressed concerns that, without the work of the FIT / 5+ Project, their children would have ended up out of work or involved in drugs or crime.
- Stakeholders identified a number of features as fundamental to the success of the FIT / 5+ Project. These were:
  - The flexible approach of the team members and the amount of time they were able to spend with children and families.

- The impartiality of the team members, the time committed to listening and trying to understand, and the use of time with children and parents individually and together.
- The commitment to providing a space where children are able to enjoy themselves and build their confidence and self-esteem.
- The tailoring of the service to individual family's needs, experiences and interests.
- The joint approach of addressing both a child's problems and the parenting skills of the parents/carers if necessary.

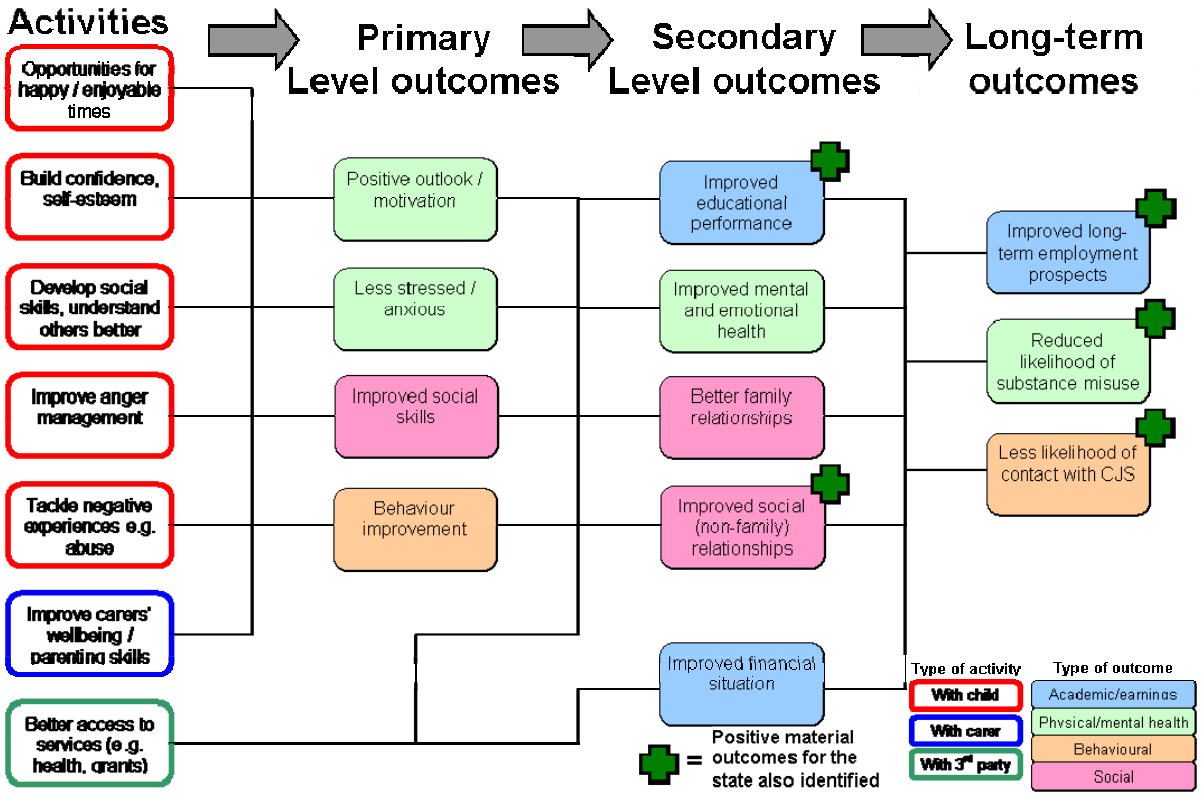

Figure 1: Impact map – outcomes for children

- The understanding of the family and their problems that the FIT / 5+ Team built up allowed them to help the family access other services that they were entitled to and/or that they might benefit from. This may be through simply recommending a service to the family, or it may involve more direct help and support in accessing the service. These are shown on the impact map as *Better access to services (e.g., health, grants),* and they are referred to in Tables 2 and 3 as *Referral outcomes*.

There are a number of key points to note about the outcomes for parents:

- Most benefits to parents arise from changes in confidence, self-esteem, skills or behaviour of their children, although parents do also benefit from improved parenting skills and increase in their own confidence and self-esteem.
- There are no long-term benefits for parents – it is assumed that the material benefits finish when children leave home. Whilst this may be a conservative assumption, without longer-term tracking of

parental benefits, we have no basis on which to project further ahead.

- For the purposes of this analysis, it is assumed that the full value of *referral outcomes* accrues to children, rather than parents or siblings. It is beyond the scope of this study to measure more precisely who benefits from these referral outcomes.

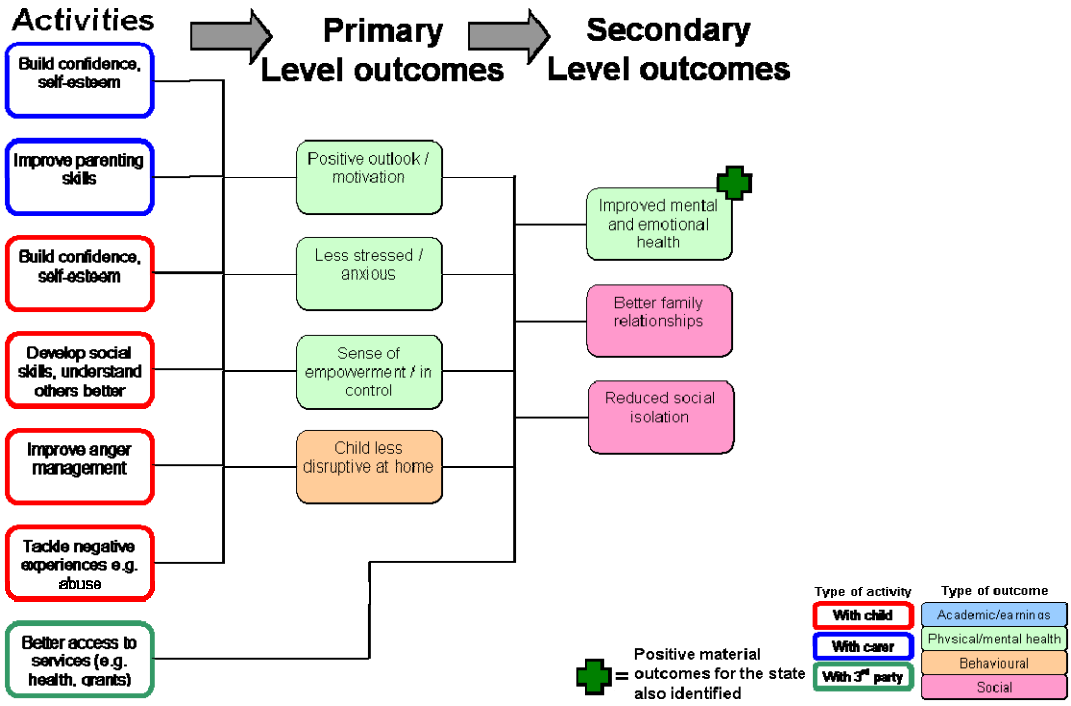

Figure 2: Impact map – outcomes for parents/carers

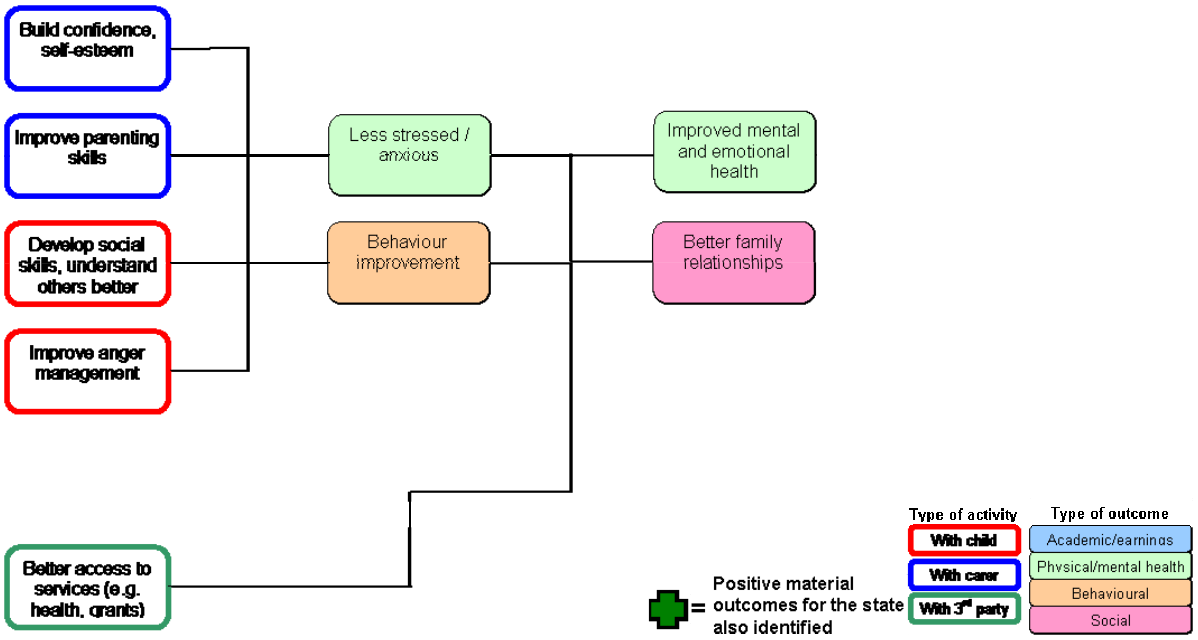

Figure 3: Impact map – outcomes for siblings

Siblings benefit mainly from the improvement in behaviour of the children who receive the intervention and from the improved parenting skills of the parents/carers.

The State

Positive outcomes from the State are also identified in many places; these are indicated by a green cross. The State benefits mainly through the reduction in costs of crime, health care, etc., due to the improvements in the child's educational performance, social skills, health and wellbeing. The key outcomes were identified as:

- Increased tax revenue (through children's increased/better paid employment in the future).
- Decreased benefit payments (as above).
- Reduced costs of crime and antisocial behaviour.
- Reduced health costs for children.
- Reduction of other long term child costs (i.e., education, care).

Approximately 69 per cent of the benefits to the State are gained by the Home Office and Department for Justice, through the reduced costs of crime and antisocial behaviour. Approximately 25 per cent of the benefits are gained by children's services departments and 6 per cent by health services. Increased tax revenues and decreased benefits contribute less than 0.2 per cent.

Data collection

Evidencing the potential benefits identified through stakeholder engagement requires data for each of the outcomes presented on the impact maps above.

Collecting data effectively is a difficult and time-consuming task, particularly for smaller organisations. Nonetheless, the FIT / 5+ Team has managed to successfully use *Strengths and Difficulties Questionnaires* (SDQs) and *Parent Daily Hassles* (PDHs) both before and after the intervention. PDHs were filled in by parents/carers, while SDQs were filled in by children, parents and schools (in all cases looking at the *children's* strengths and difficulties).

There has been a sufficiently high response rate for the PDHs and for the SDQs (children and parent responses), both pre- and post-intervention, for us to use this data in our evaluation. Furthermore, children and parents/carers completed evaluation forms at the end of the intervention, which provides some useful data. Some of the questions in these surveys have been used as 'indicators' for us to examine the extent to which various outcomes have been achieved.

Indicators
An indicator is a piece of information that helps us determine whether or not a change has taken place.

There are a number of challenges in using this kind of data that we needed to address in this evaluation:

- *Methodological issues with self-evaluation*. Self-reporting is an important dimension to outcomes measurement. However, there are problems with relying on it as the sole evidence base. Chief amongst these is the danger of socially desirable reporting. Staff at the FIT/5+ Team expressed concern that children give a positive impression of themselves in the pre-intervention SDQs, but would be more honest

about their problems in the post-intervention SDQs because a trusting relationship had developed. This may lead to self-evaluations not fully capturing the change that has happened.

- While post-intervention questionnaires capture the change immediately after the intervention has finished, they do not help us understand to what extent the outcomes are sustained, and to what extent they decrease or 'drop off' over time. We therefore conducted a number of qualitative follow-up interviews with parents who used the service some time ago to attempt to measure this.

Table 2 shows the data collection methodology for each outcome.

On occasion there were no reliable existing data for the indicators that we wished to measure. In these cases we had to work with best available data to fill these gaps either by using proxies, or other assumptions:

- No data are captured on outcomes for siblings. We have therefore had to assume that improvements in family relationships and mental/emotional health are at the same level for siblings as they are for parents.
- Improvements in educational performance for the children and improvements in positive outlook/motivation and stress/anxiety for adults had to be captured qualitatively from a small number of parents who had used the service in the past. This is obviously less robust but was used in the absence of anything more reliable.
- No data are captured that directly show improvements in mental or emotional health, so we have taken an average of the improvement in positive outlook/motivation and stress/anxiety to represent this.
- The longer-term outcomes for children cannot be captured by surveys without the implementation of longer-term data collection systems. (In any case, the project has not been running for long enough for us to be able to assess the impact on children once they reach adulthood.) For our evaluation, we used academic research which examined the relationship between conduct disorders in childhood and other problems, such as incidence of crime and unemployment in later life, and used this to predict future outcomes.
- Incidences where the FIT / 5+ Team helped children or adults to access other services were not routinely captured, but we were able to gather this information through a retrospective analysis of 100 case files.
- Although many of the children lived in two-parent/carer households, we based our calculations on the assumption that the value generated by the project flowed to one-parent/carer per child only. There are a couple of reasons for this. First, any extra value generated by benefits flowing to two adults in a household is likely to be cancelled out by the fact that the initial negative consequences of the child's problems were in any case shared between the two adults. Further research would be required to establish whether this was the case or not. Secondly, the second parent/carer is usually at work during the day and therefore has to spend less time interacting with the child.
- Likewise, although the calculations take into account the number of children with siblings who are affected by their behaviour, our evidence of the impact on these siblings was less robust. Therefore we only assumed benefits to one additional child per family.

Table 2: Data collection

		Outcome	Indicator
Children	Primary level outcomes	Positive outlook/motivation	SDQ 13: I am often unhappy, down-hearted or tearful
		Less stressed/anxious	SDQ 16: I am nervous in new situations. I easily lose confidence
		Improved social skills	SDQ 6: I am usually on my own. I generally play alone or keep to myself
		Behaviour improvement	SDQ 5: I get very angry and often lose my temper
	Secondary level outcomes	Improved educational performance	Parents identify improvement in qualitative follow-up interviews
		Improved mental and emotional health	Average of primary level outcomes: positive outlook and less stressed
		Better family relationships	Evaluation Q4: Relationship with parents improved
		Better social (non-family) relationships	SDQ 6: I am usually on my own. I generally play alone or keep to myself
	Long-term outcomes	Improved employment prospects	Behaviour (SDQ5) used to predict likelihood of unemployment
		Reduced likelihood of substance misuse	Behaviour (SDQ5) used to predict likelihood of substance misuse
		Less likelihood of contact with criminal justice system	Behaviour (SDQ5) used to predict likelihood of receiving conviction
	Referral outcomes	Financial	Project workers identify referral
		Health	Project workers identify referral
		Counselling / Mental health	Project workers identify referral
		Education	Project workers identify referral
		Other	Project workers identify referral
Parents	Primary level outcomes	Positive outlook / motivation	Parents identify improvement in qualitative follow-up interviews
		Less stressed / anxious	Parents identify improvement in qualitative follow-up interviews
		Sense of empowerment / in control	SDQ 7: I usually do as I am told
		Child less disruptive at home	Parent Daily Hassles Score (Disruptive hassles)
	Secondary level outcomes	Better family relationships	Evaluation Q4: Relationship with children improved
		Improved mental and emotional health	Average of primary level outcomes: Positive outlook and less stressed
		Reduced social isolation	Parent Daily Hassles Score (Social hassles)
Other family members	Secondary level outcomes	Better family relationships	Based on parents: Evaluation Q4: Relationship with children improved
		Improved mental and emotional health	Based on parents: Average of primary level outcomes: Positive outlook and less stressed
State	Long-term outcomes	Increased tax revenue	Behaviour (SDQ5) used to predict likelihood of unemployment
		Decreased benefits	Behaviour (SDQ5) used to predict likelihood of unemployment
		Reduced costs of crime/ASB	Behaviour (SDQ5) used to predict likelihood of receiving conviction
		Child's reduced health costs	Behaviour (SDQ5) used to predict level of health costs to state
		Reduction of other child costs (education, care, relationships)	Behaviour (SDQ5) used to predict likelihood of education, care and relationships cost to state
		Parent/carer's reduced health costs	Directly relate to parent / carer's medium and long-term outcomes

Conducting an SROI analysis often allows us to examine the strengths and weaknesses of a data collection mechanism. We make a number of recommendations that would improve the accuracy of the SROI calculations in the future:

1. Alongside measuring children's progress pre- and post-intervention, it would be useful to measure parents' progress and siblings' progress to allow a better evaluation of outcomes for them.
2. At the same time, we would get a more robust reading of the strengths and weaknesses of family relationships by asking both children and parents about these pre- and post-intervention. Currently we are using the post-intervention evaluations which ask

'did things improve', but we are likely to get a more precise reading by taking two measurements pre- and post-intervention and then comparing the difference.

3. Although it can be time-consuming, it will help us to identify the longer-term impacts of the intervention if follow-up interviews are conducted with at least some children and parents/carers on a regular basis.
4. The FIT / 5+ Team goes further than many organisations in using a numerical scale to measure certain outcomes. However, the consistency of data collection could be improved if there was a greater level of description as to what each level looks like. A system such as an *Outcomes Star* (see recommendations) would help with this.

Economic model

The economic model was developed in five stages:

1. Quantifying extent to which outcomes are met for each stakeholder as set out in data collection.
2. Monetising each outcome by sourcing a financial proxy.
3. Determining impact by accounting for displacement, deadweight and attribution.
4. Determining a benefit period and drop off.
5. Projecting value into the future.

Proxies
A proxy is a financial value that is deemed to closely represent the desired outcome, for which exact data is unavailable.

Monetising outcomes

As part of the analysis and calculations, SROI requires the 'monetisation' of all the outcomes. This means putting a monetary value on each outcome, even those that are not usually traded and for which a value is not obvious. When pricing data is unavailable for a particular outcome, we will use a 'proxy', a value that is deemed to be close to the desired outcome. These monetised outcomes can then be added together to calculate the total value produced.

When combining monetised outcomes, there is a danger of double-counting benefits. For example, the primary level outcome *less stressed/anxious* is likely to be substantially covered by the secondary level outcome *improved mental and emotional health*. For this reason, we only monetise the secondary level and long-term benefits, not the primary level benefits, as the well-being and quality of life benefits of the primary level outcomes are counted within secondary level outcomes.

In some instances we had sufficient data to be able to observe short-term outcomes taking place and for these monetisation was a straightforward step of identifying an appropriate proxy. For others, such as long-run savings to the State arising from reduced crime, improved health, etc., academic research was required to predict future outcomes. These were based on reductions in conduct disorders that are taking place as a result of this intervention and for which there is robust evidence of impact on future life chances.

Table 3 shows the proxies used in the economic model.

Table 3: Selected financial proxies

		Outcome	Proxy	Value
Children	Secondary level outcomes	Improved educational performance	Opportunity cost: average annual salary of 16–17-year-olds in full-time work	£9,130
		Improved mental and emotional health	Annual cost of five sessions/week of CBT in day care at voluntary provider	£5,200
		Better family relationships	Annual cost of child (Liverpool Victoria study)[2]	£9,227
		Better social (non-family) relationships	Annual household spending on recreation & culture	£2,985
	Long-term outcomes	Improved employment prospects	12 months on minimum wage minus income tax & NI	£8,540
		Reduced likelihood of substance misuse	Amount spent by problematic drug users each year[3]	£16,500
		Less likelihood of contact with criminal justice system	Total cost of conviction (fine + sentence)	£5,902
	Referral outcomes	Financial	Assumed average size of grant received	£1,000
		Health	UK annual government spending on health per person	£1,947
		Counselling/mental health	Annual cost of five sessions/week of CBT in day care at voluntary provider	£5,200
		Education	Opportunity cost: average annual salary of 16–17-year-olds in full-time work	£9,130
Parents	Secondary level outcomes	Better family relationships	Annual cost of child (Liverpool Victoria study)[2]	£9,227
		Improved mental and emotional health	Annual cost of five sessions/week of CBT in day care at voluntary provider	£5,200
		Reduced social isolation	Annual family spending on recreation and culture	£2,985
Other family members	Secondary level outcomes	Better family relationships	Annual cost of child (Liverpool Victoria study)[2]	£9,227
		Improved mental and emotional health	Annual cost of five sessions/week of CBT in day care at voluntary provider	£5,200
State	Long-term outcomes	Increased tax revenue	Tax and NI on 12 months on minimum wage @ 35 hours/week	£886
		Decreased benefits	2008 prices: Benefits costs for 28-year-old – conduct problems as child[4]	£237
		Reduced costs of crime/ASB	2008 prices: Crime costs for 28-year-old – conduct problems as child[4]	£3,753
		Child's reduced health costs	2008 prices: Health costs for 28-year-old – conduct problems as child[4]	£160
		Reduction of other child costs (education, care, relationships)	2008 prices: Other costs for 28-year-old – conduct problems as child[4]	£1,627
		Parent/carer's reduced health costs	Used child's reduced health costs	£160

1. PSSRU (2007) Unit costs of health and social care http://www.pssru.ac.uk/pdf/uc/uc2007/uc2007.pdf
2. Liverpool Victoria, http://www.lv.com/media_centre/press_releases/lv=%20cost%20of%20a%20child
3. Bennet T (2000) *Drugs and Crime, Research Study 205,* Home Office, 2000, cited in Wilkinson F (2001) *Heroin: The failure of prohibition and what to do now*, Paper No. 24 (London: Centre for Reform) p. 11.
4. Scott S, Knapp M, Henderson J, Maughan B (2001) Financial cost of social exclusion: follow up study of antisocial children into adulthood, *British Medical Journal* **323:**191. doi:10.1136/bmj.323.7306.191

Determining impact

Determining impact involves isolating that part of the outcome for which the organisation can take credit. In SROI we measure impact to ensure that different organisations are not over-claiming for the same outcomes, i.e., that additional net change is taking place.

The economic model subtracts for the effects of the following to account for impact:

- Displacement
- Deadweight
- Initial attribution
- Drop off:
  - Attribution drop off
  - Outcome drop off

Displacement. Where costs or benefits are moved from one place to another, e.g., if somebody gets a job at the expense of somebody else.

Deadweight Deadweight is a measure of what would have happened anyway, without the intervention.

Drop off The extent to which the outcome decreases over time, or the attribution (credit) that an organisation can take for the outcome decreases over time.

Attribution Attribution is the amount of credit that an organisation can take for a change.

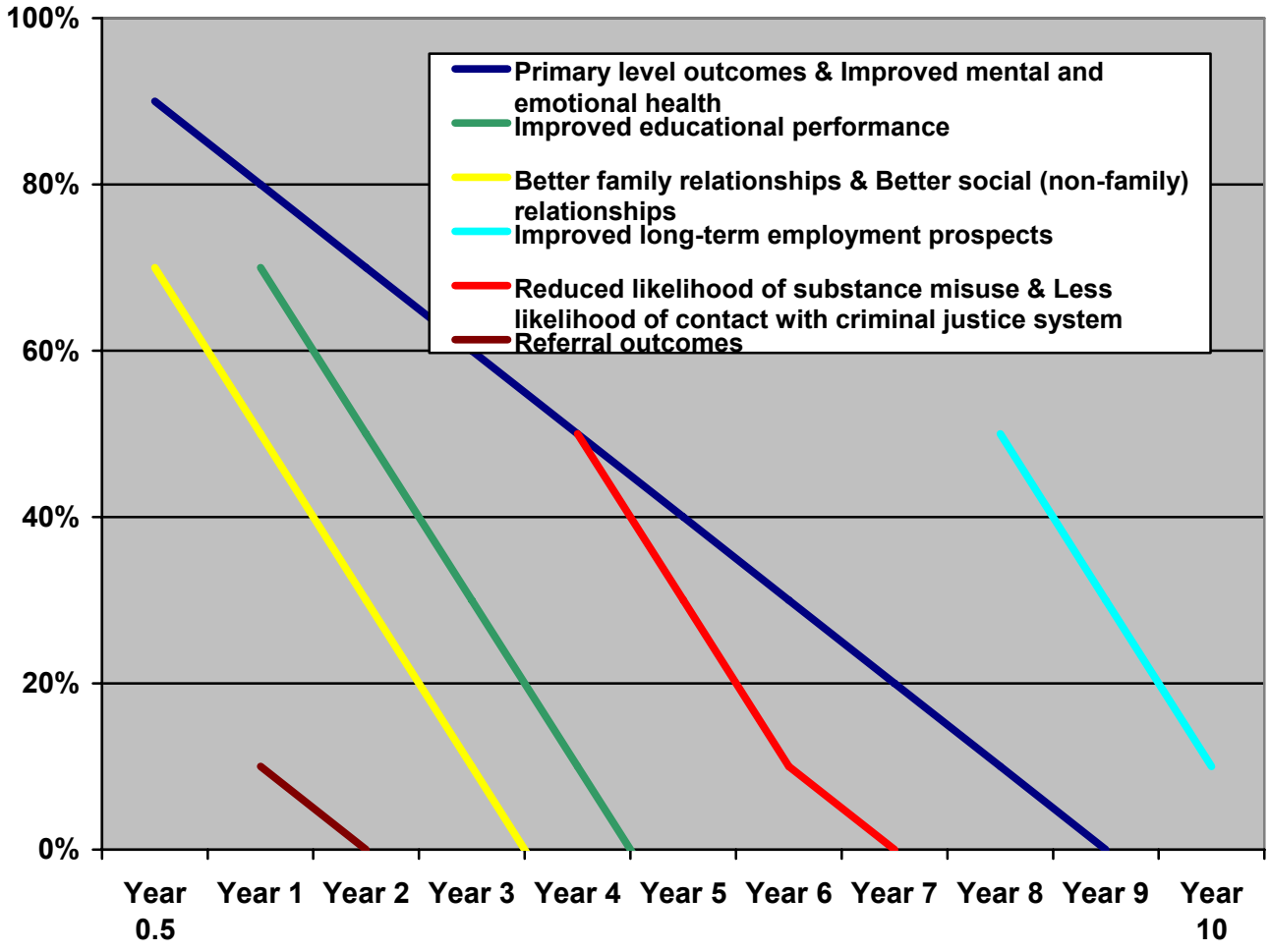

Figure 4: Initial attribution and drop off

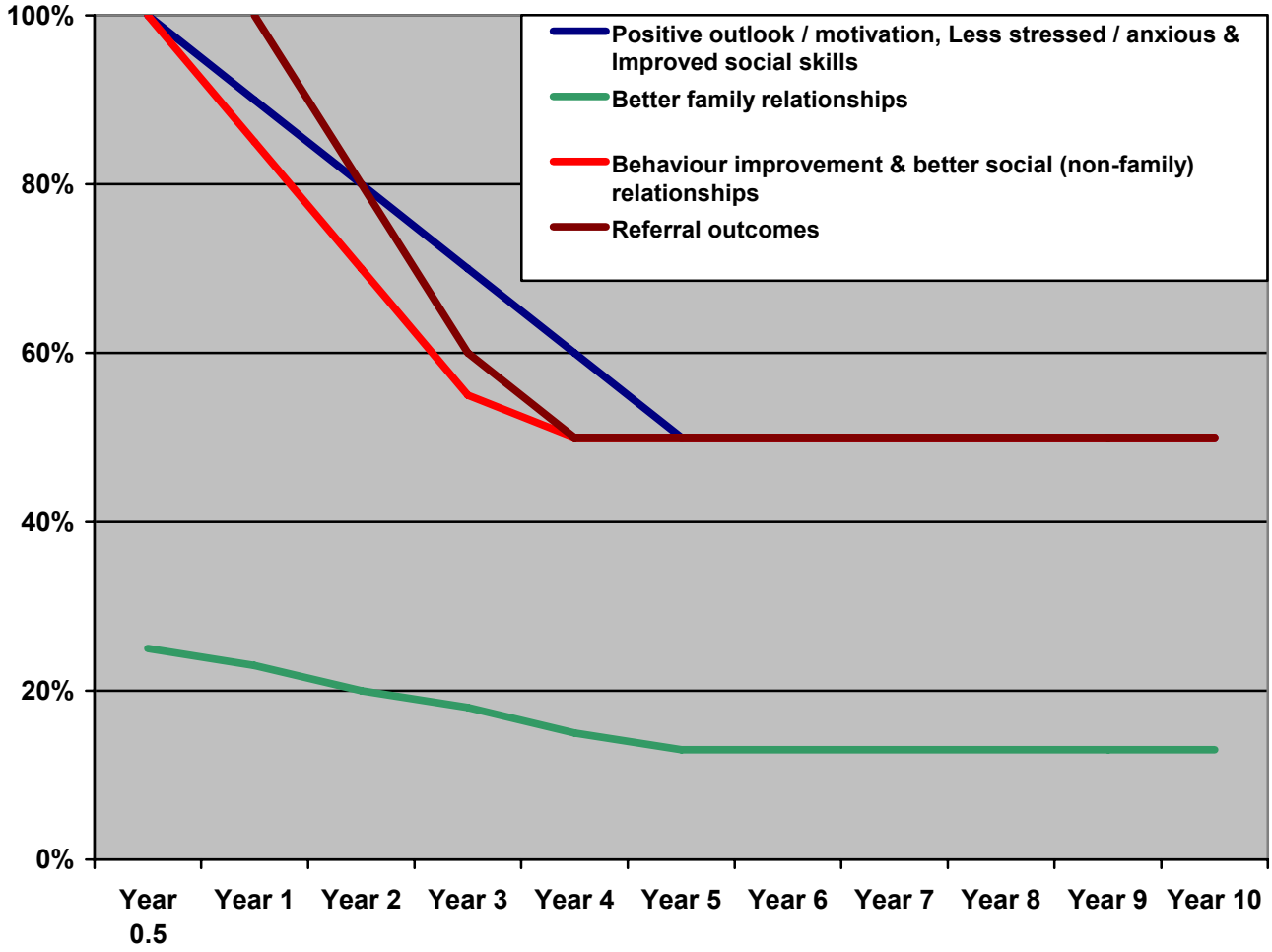

Figure 5: Outcome drop off

Displacement

Displacement needs to be applied when a benefit to one person or in one area is 'displaced' from another person or another area, which doesn't receive the benefit it would otherwise have received. This represents the fact that, for the most part, extra employment gained in the future by children who have received a FIT / 5+ intervention comes at the expense of employment to others (i.e., if these jobs don't in the future go to these children, they will go to others instead). In this particular SROI, displacement needs only be considered for the economic benefits to the state; we have used an 80 per cent displacement rate for increased tax rates and decreased benefits, according to Government recommendations.

Deadweight

As the data available measures change in primary and secondary level outcomes over a fairly short space of time (during which the intervention occurs), we can be fairly certain that this change is due to Action for Children's intervention, and that we do not need to incorporate deadweight (i.e., the extent to which an outcome would have happened anyway). For the longer-term benefits, the academic research that allows us to predict outcome levels also allows us to predict deadweight.

Initial attribution and attribution drop off

Attribution (the extent to which Action for Children can take the credit for an outcome) is challenging to measure, although qualitative research with

stakeholders did help us to identify the amount of credit that the FIT / 5+ Project can take (compared to, among others, the efforts of the children and families involved, the contribution of peer groups, the wider family, schools and other public services).

Figure 4 shows the attribution that the FIT / 5+ Project gets for each outcome for children at each point in time (presuming the outcome is sustained). Built into this figure is the assumption that outcomes begin at different points in time. In general, Action for Children gets more credit for shorter-term outcomes and less credit for longer-term outcomes; for longer-term outcomes, other factors are likely to have had an impact in the period between the intervention and the outcome. For referral outcomes, we have assumed that the FIT / 5+ Project can only take 10 per cent of the credit, and for one year only.

Outcome drop off

Outcome drop off (the extent to which the level of a benefit reduces over time) is also difficult to measure as we had to rely on qualitative follow up interviews with parents. Even this only accounted for short-term outcome drop off, and we have had to project the results of this qualitative research into the future and assume that outcome drop off continues at the same rate.

For primary and secondary level outcomes, we have projected outcome drop offs some way into the future, but we have assumed that outcome drop off doesn't, on average, fall below 50 per cent at any point. While it is difficult to say how accurate this assumption is, by the time an outcome has fallen to 50 per cent, the attribution drop off means that the credit the FIT / 5+ Project can take is minimal anyway and therefore not material.

In this particular SROI model, outcome drop off does not apply to long-term outcomes, as the academic research predicts overall, sustained outcomes, not initial (and not sustained) outcomes.

For the *improved family relationships* outcome, we used an indicator from the project's evaluations, both the children's evaluations and the parents' evaluations. The results from both the children's evaluations and the parents' evaluations show very large improvements in family relationships, which were not wholly backed up by qualitative interviews conducted with parents. Furthermore, the improvement in some other measures in these evaluations was greater than the improvement picked up in similar measures in the SDQs. The SDQs benefit from taking both a pre-intervention and a post-intervention measure, allowing us to examine the difference, whereas the evaluations simply ask if something has improved (usually a less reliable measurement). It is our assumption therefore that both the nature of these project evaluations and their timing lead to these particularly high results, and we applied a substantial initial drop off to these outcomes (from what we believe to be an artificially very high starting point) to reflect that.

Figure 5 shows the outcome drop off for the primary and secondary level outcomes (except those for which there is no outcome drop off).

Projecting value into the future

When projecting benefits into the future, it is standard SROI practice to discount the value of any future benefits.The HM Treasury discount rate of 3.5 per cent was applied to all future benefits in the model.

Discounting is the final step in constructing the model. The results of the model are discussed in Section 4 (SROI ratio and benefits breakdown).

Discounting
The extent to which the value of a benefit accrued in the future is reduced, to reflect both the social and economic preferences for receiving a sum of money now, rather than receiving the same sum of money in the future.

Section 4. SROI ratio and benefits breakdown

The SROI ratio for the intervention is 7.6:1. This means that every £1 invested annually generates £7.60 in social value. The total social value accrued for one year's investment is £3.3 million.

Figure 6 shows the breakdown of value by each stakeholder. Figure 7 shows the social value delivered (per £1 invested) for each stakeholder group over time and Table 4 shows the social value delivered per outcome per year.

- The most significant value (39%) is obtained by the children, with 22% obtained by parents/carers.
- The State derives approximately 26% of the total value; by the end of year three, the state has recouped its investment in the project.
- Most of the value is delivered within the first three years, but there is significant value delivered to the children and the state beyond that.

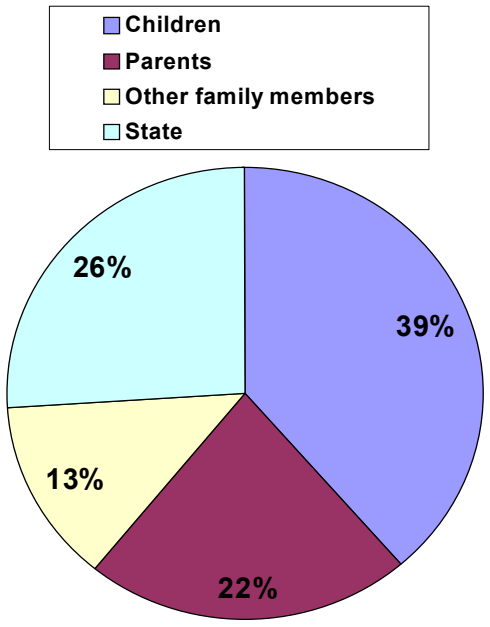

Figure 6: Breakdown of value by stakeholder

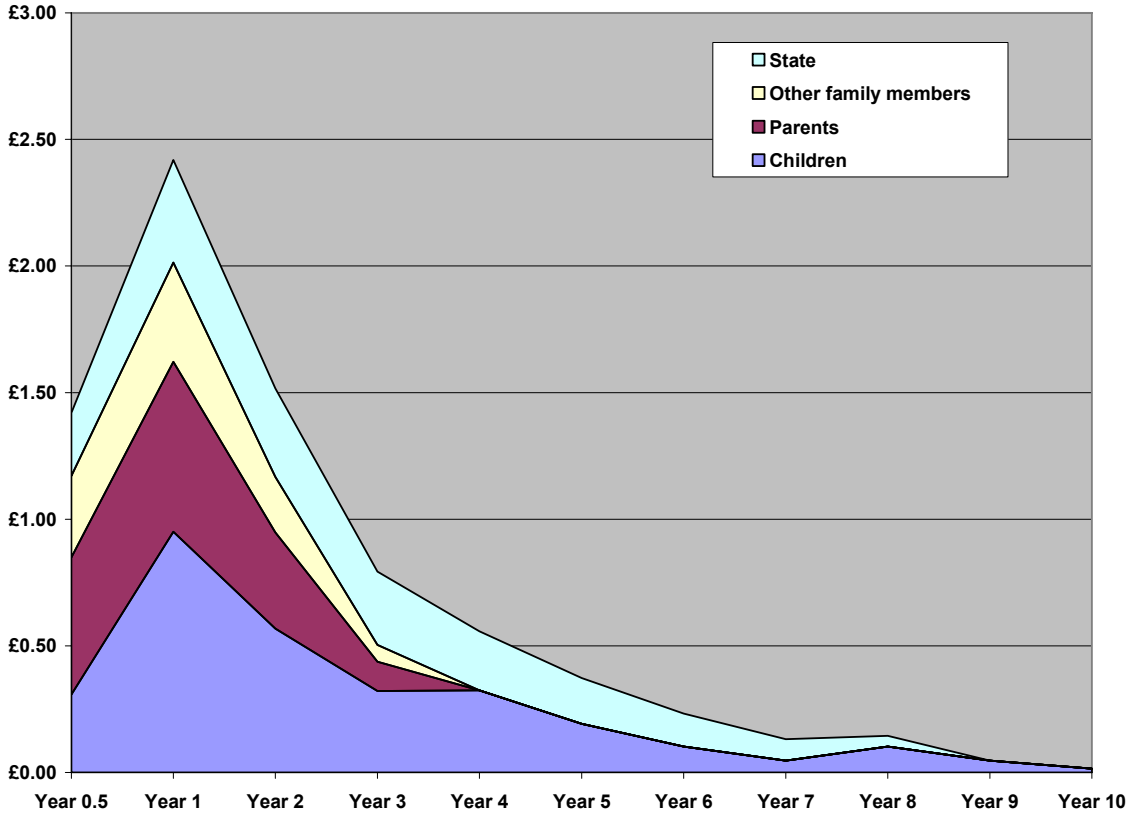

Figure 7: Social value delivered (per pound invested) over time

Table 4: Social value delivered per outcome per year (all figures rounded to nearest £100)

Stake-holder	Outcome	Year 0.5	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total over ten years	Net present value
Children	Improved educational performance	0	128,200	91,600	55,000	18,300	0	0	0	0	0	0	293,100	265,600
	Improved mental and emotional health	0	106,800	93,500	80,100	66,800	53,400	40,100	26,700	13,400	0	0	480,700	415,100
	Better family relationships	107,100	137,700	73,500	21,400	0	0	0	0	0	0	0	339,700	317,000
	Better social (non-family) relationships	26,800	32,600	16,100	4,200	0	0	0	0	0	0	0	79,700	74,500
	Improved long-term employment prospects	0	0	0	0	0	0	0	0	47,200	28,300	9,400	84,900	61,100
	Reduced likelihood of substance misuse	0	0	0	0	30,000	18,000	6,000	0	0	0	0	53,900	44,600
	Less likelihood of contact with criminal justice system	0	0	0	0	52,500	31,500	10,500	0	0	0	0	94,500	78,100
	Financial	0	900	0	0	0	0	0	0	0	0	0	900	800
	Health	0	5,000	0	0	0	0	0	0	0	0	0	5,000	4,700
	Counselling / Mental health	0	10,000	0	0	0	0	0	0	0	0	0	10,000	9,300
	Education	0	27,400	0	0	0	0	0	0	0	0	0	27,400	25,500
Parents	Better family relationships	112,100	144,100	76,900	22,400	0	0	0	0	0	0	0	355,600	331,800
	Improved mental and emotional health	81,800	116,800	70,100	23,400	0	0	0	0	0	0	0	292,100	271,700
	Reduced social isolation	42,500	60,700	36,400	12,100	0	0	0	0	0	0	0	151,700	141,100
Other family members	Better family relationships	80,900	104,000	55,500	16,200	0	0	0	0	0	0	0	256,600	239,400
	Improved mental and emotional health	59,000	84,300	50,600	16,900	0	0	0	0	0	0	0	210,800	196,000
State	Increased tax revenue	0	0	0	0	0	0	0	0	1,000	300	0	1,400	1,000
	Decreased benefits	0	0	0	0	0	0	0	0	500	200	0	700	500
	Reduced costs of crime / ASB	75,600	134,300	117,600	100,800	84,000	67,200	50,400	33,600	16,800	0	0	680,100	595,000
	Child's reduced health costs	3,000	5,300	4,700	4,000	3,300	2,700	2,000	1,300	700	0	0	27,000	23,600
	Reduction of other child costs (education, care, relationships)	26,800	47,600	41,700	35,700	29,800	23,800	17,900	11,900	6,000	0	0	241,200	211,000
	Parent / carer's reduced health costs	3,200	5,700	5,000	4,300	3,600	2,900	2,200	1,400	700	0	0	29,000	25,400
Total		618,800	1,151,600	733,000	396,500	288,200	199,400	128,900	75,000	86,200	28,800	9,400	3,715,900	3,332,900

Other reports related to this project include:

- Full project report:
  - *Backing the Future: why investing in children is good for us all*
- Practical 'how to' documents:
  - *A guide to commissioning children's services for better outcomes*
  - *A guide to measuring children's well-being*
  - *A guide to co-producing children's services*
- SROI assessment reports for two Action for Children services:
  - *The economic and social return of Action for Children's East Dunbartonshire Family Service*
  - *The economic and social return of Action for Children's Wheatley Children's Centre in Doncaster, Yorkshire*
- Report on the Citizens' Juries:
  - *How can government act to increase the well-being and happiness of children and young people in the UK? A report on two citizens' juries.*

All available at www.neweconomics.org and www.actionforchildren.org.uk