



SOCIAL RETURN ON INVESTMENT

Forecast for 2016-17

Compiled By Genevieve Ryan, Planned Care Commissioning Manager,
NHS Guildford and Waverley Clinical Commissioning Group, October 2016

FOREWORD

In 2016 we set out to understand and quantify the social outcomes of our charity. To achieve this, we undertook a Social Return on Investment.

Since we were founded over 20 years ago, Step by Step have remained dedicated to the mission of empowering young people who are vulnerable and disadvantaged, including being homeless. We have created a very successful approach that combines both a range of accommodation services and key worker support services to achieve great outcomes for the young people we support. We are very proud of the programmes we have created and what they achieve. Since our inception we have supported over 10,000 young people.

At Step by Step we believe that we create fantastic opportunities for the young people we seek to support, which itself is a very laudable ambition. However, as a result, we also believe that we create great benefits for society in general and contribute to the economic well-being of the nation. The purpose of this Social Return on Investment report is to demonstrate,

evidence and quantify the greater benefits that Step by Step generates as a result of our charitable activities.

We are a specialist and highly focused charity, believing that the Social Return on Investment that we achieve creates a performance benchmark in this sector – one that is unfortunately growing and has become increasingly challenging to fund.

We are delighted to launch the first Social Return on Investment report for Step by Step and trust that the findings of the report will provide the platform from which we can journey into the future with continued confidence and positivity.



Amanda Dubarry
CHIEF EXECUTIVE

Keith Gathergood
ACTING CHAIR

We are a charity who passionately believe in supporting local young people who are going through hard times. We work with young people aged 11 to 25 taking a unique step by step approach. We provide accommodation, personal development, and specialist services that identify and fulfil aspirations.

We aspire to be the leading organisation which sets the standard for excellence and continually develop to meet the needs and aspirations of young people facing hard times.

Our work is transformative, enabling young people to become thriving members of the community.

"Staff are always approachable and are always happy to help in situations. Nothing is too much trouble."

Young Person, Brent House

"I am very proud of my achievements and also that they have been recognised by Step By Step."

Young Person, First Steps Programme



SOCIAL RETURN ON INVESTMENT

A Social Return on Investment is a framework that aids organisations to measure their own social impact in a way that is relevant to those that experience or contribute to the change the organisation creates.

It places financial value on the social, environmental and economic outcomes that Step by Step generates to create a broader sense of value that goes beyond just putting a roof over someone's head.

The study includes inputs from key groups that interact with the charity, including the young people themselves. It involves documenting how the charity's work personally affects people and the importance of this on their own lives.

The Social Return on Investment captures value often missed by more traditional methods of cost benefit analysis and tells the story of how the organisation creates change to society. The report then demonstrates the social impact the organisation generates.

This report is a forecast Social Return on Investment of Step by Step's activities for the 2016-2017 financial year.





A Social Return on Investment produces a ratio that indicates the social value returned to society for every £1 invested in the charity.

This demonstrates the value that Step by Step provides to key stakeholders including beneficiaries, commissioners and contributors.

Principles of a Social Return on Investment:

- 1. Involve stakeholders**
- 2. Understand what changes**
- 3. Value the things that matter**
- 4. Only include what is material**
- 5. Do not over-claim**
- 6. Be transparent**
- 7. Verify the result**



INPUTS

Partner Organisations

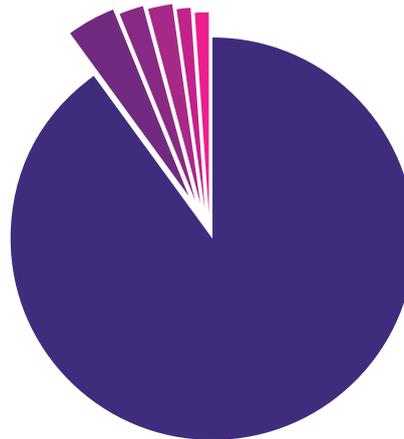
This group delivered the vast majority of financial inputs, amounting to £2.5 million or 90% of the total input.

Young People

This group contributed £33k, predominantly via rental and food charges.

Hosts, Families, Staff and Volunteers

These groups contributed £3k, £120k, £68k and £56k respectively. Most of this was down to their own time.



Value of inputs

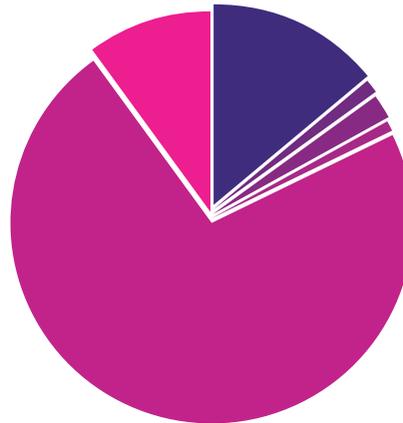
Partner organisations 90%
Hosts 4%
Staff 2%
Volunteers 2%
Young People 1%
Young People's Families 1%

OUTCOMES

Outcomes

For the 2016-2017 year, Step by Step is estimated to generate over £18 million worth of social value.

Of this, 74% will go directly to young people.



Social Value Generated

Partner organisations 14%
Hosts 1%
Staff 2%
Volunteers 1%
Young People 72%
Young People's Families 10%

TOP CONTRIBUTING OUTCOMES

Top Outcomes for Social Benefit

There were 16 outcomes that contributed the most to the social outcomes of the charity.

The Outcomes:

1. Reduction in long-term homelessness
2. Young people have a safe place to stay
3. More young people get into education, employment and training
4. Young people have improved mental and emotional health and well-being
5. Young people have improved social networks and relationships with their families
6. Young people reduce their drug and alcohol misuse
7. There is a reduction in offending rates
8. Families experience an improved relationship with their children
9. The demand on families is reduced when their children are supported by Step by Step
10. Families experience less stress and general health improves
11. Staff enjoy good relationships with their organisational partners
12. Staff feel satisfied in the work they do and the positive impact they have
13. So do hosts
14. The local authority has increased resources to dedicate to other vulnerable people
15. The NHS mental health burden is reduced
16. There are fewer benefits paid out as young people progress into work

**Reduction
in long term
homelessness
accounts for
55% of the
total benefit**

SOCIAL RETURN ON INVESTMENT RATIO

The Ratio

For every £1 invested in the charity, £5.60 of social value is generated for society. The vast majority (around 75%) of this benefit is created via improving young people's lives. However we also have a positive impact on our own staff, host families and the organisations we work with.

For the purpose of the Social Return on Investment, only the top 16 outcomes were included, though we deliver even more positive impacts than these!

Calculating the Social Return on Investment Ratio

The ratio is calculated by dividing the social value of the outcomes by the investment needed to make them happen.

Payback period

The point at which the financial investment in Step by Step begins to be outstripped by the social return.

For Step by Step this occurs after just 10 months.



**For every £1
invested in Step
by Step, £5.60
worth of social
value is created**

QUOTES AND COMMENTS

Comments from Young People

Young people felt we had not only provided them with a place to stay, but also more support such as motivational training sessions and guidance on their next steps in life.

"Step by Step stopped me being homeless."

"It has been an all round positive experience."

"If you apply yourself to it, it'll really help you. You get out what you put in."

"Step by Step made me know what I want out of life."

"I have become more confident, outgoing and my drug use has gone down loads. This means I can do more productive things with my days."

Comments from Partner Organisations

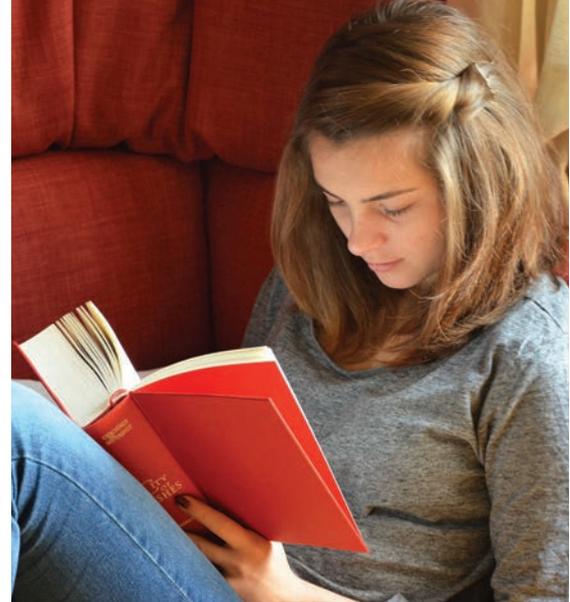
Partners felt we provided tailored support and expertise. All could name instances where we undertook work that they would otherwise have to take on.

"I don't know what we'd do without Step by Step."

"It's the gold standard."

"Step by Step increase the amount of attendance we get from the young people."

"[Because of Step by Step] I get peace of mind, the young people aren't having to talk to landlords about rent arrears, they can talk instead about how to improve themselves."



**For 2016-2017
Step by Step
will receive
£3.2 million
and return
£18.4 million
worth of social
value to society**

OUTCOME BREAKDOWN

Results for Young People

Young people experienced outcomes worth £13 million, including a reduction in long-term homelessness, more individuals becoming employed, having a safe place to stay, and improving their mental health and family relationships. This accounted for 72% of the social benefit generated.

Results for Young People's Families

Young people's families experienced outcomes worth £1.5 million via improved relationships with their children and reduction in their own family financial burden. This accounted for 8% of the social benefit generated.

Results for Staff

Staff experienced outcomes worth £500,000, including good relationships with organisational partners and a personal feeling of making a positive difference in the world. This accounted for 3% of the social benefit generated.

Results for Partner Organisations

Partner organisations experienced £2.8 million worth of social benefit, including reduced expenditure on homelessness for local authorities, increased mental health resource for the NHS and a decreased spend on benefits. This accounted for 16% of the social benefit generated.

Results for Host Families

Host families experienced £36,000 worth of social benefit from a feeling of making a positive impact on the young people. This was worth just under 1% of the total benefit.

Other results that were not included

There were a further 36 outcomes we did not include as they were deemed to be too small to have a significant impact on the result. For example: increased attendance at college for young people at Step by Step, and lower than the sector average staff sickness rates.

If we included all the good work that Step by Step does, the Social Return would be £5.60 for every £1 invested, amounting to a total of £18.4 million of social value generated for society!

IMPACT FACTORS

A Social Return on Investment (SROI) identifies the impact factors that determine which aspects of change would have happened anyway, or are as a result of other factors. This makes the SROI results more credible.

Deadweight - the amount of the outcome that would have happened anyway

Displacement - the amount activities generate adverse outcomes elsewhere

Attribution - the amount the outcome can be attributed to others

Drop off - the rate at which the outcome reduces over time

Other similar SROI reports averaged a deadweight of 15%, displacement of 0%, attribution of 25% and drop off of 33%.

In order to be conservative in the estimations of the social value that Step by Step creates, a default of 20% deadweight, 0% displacement, 25% attribution and 35% drop off were selected to be in line with, or more conservative than, other similar SROI studies.

Where possible, the default impact factor levels were adjusted utilising data to get as close to the real values as possible.



**Further details are available
in the full SROI report.**

SENSITIVITY ANALYSIS

By varying the quantities of outcomes, values of inputs, financial proxies and impact factors, it can be established which outcomes most influence the SROI ratio to give certainty to the results.

SROI ratio varies from 4.24 to 7.21

Therefore for every £1 invested the *minimum* social return one can expect from Step by Step is £4.24.

Variables adjusted	Amount adjusted by
Variable inputs	± magnitude of 10
Material outcomes financial proxies.....	Value of proxy ± 25%
Outcome quantities.....	Altered ± 25%
Deadweight	Altered ± 25%
Displacement.....	Altered ± 25%
Attribution.....	Altered ± 25%
Drop off.....	Altered ± 25%
Outcome durations.....	Alter durations ± 1 or 2 years
Materiality threshold.....	Cut off ± 0.5% of present value

EFFECT Lowest value 4.24, highest 7.21



Step by Step offers services to empower young people and prevent homelessness throughout Hampshire, Surrey, Berkshire, and Dorset.



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Young People. Hard Times. Bright Futures.