

Tomorrow's People Trust Ltd.: “Getting Out To Work” - Social Return on Investment Analysis

*“to break the cycle of unemployment and dependency in
deprived communities throughout the UK.*

(www.tomorrows-people.co.uk)

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1.0 Executive Summary

This report provides an outline of the Social Return on Investment (SROI) analysis conducted to evaluate Getting Out To Work (GOTW), funded by The Big Lottery Reaching Communities Fund and managed and operated by Tomorrow's People. Interviews with key stakeholders have informed the analysis that employs the principles of the SROI framework to understand what has changed in the lives of GOTW's clients and monetise these important changes.

In line with the mission of the national charity, the overriding intention of GOTW is to provide intensive employment support to men and women after a time in prison, or serving their sentence in the community, or those people who are at risk of offending behaviour.

However, it is recognised that many people in these situations require additional support in their quest for work. For that reason, one-to-one support relationships built around an individual action plan that offers support in the way that individuals require it – be that vocational training, help accessing funding opportunities, practical advice, communication with employers or on-going contact and support including In-Work Support - provides clients with improved likelihood of finding and securing sustainable employment over the long term.

Comparing the overall value of outcomes to the relative investments cost required to create the benefits reveals **a social return on investment of £4.16: 1**. This indicates that for each £1 of investment, £4.16 of social impact is created.

Whilst the result of the analysis is positive, this report also importantly identifies where significant improvements are possible in the capture and management of social impact information. GOTW clearly positively impacts on the lives of those it works with, but without more understanding it is impossible to appreciate how important different changes are, how to manage these, and what the overall value is.

1.1 Acknowledgements

Thank you for the support and input of many people, without which this report would not be possible. This includes the four Employment Advisors at Tomorrow's People who all gave their time to discuss the outcomes of the programme, and in particular Joeley Roberts who also provided me with greater insight with a visit to a partner outreach supported accommodation location. Thanks also to the partner's management, staff and residents for their engagement and discussing with me the work of GOTW – it was all genuinely appreciated. Also, without the initial interest and continued support of Chris Jones, Tomorrow's People Merseyside Manager, none of this would have been possible – thank you.

1.2 About the Author

Dr Adam Richards has been working in the area of social impacts for about 10 years and has a range of experience working with third, public and private sector organisations to advise them on how to measure and manage their social impacts. Working extensively with the Furniture Resource Centre Group in Liverpool, Adam has helped to develop social metrics to a stage where the organisation employs social budgeting principles. These are applied across the business in the same way as financial accounting frameworks, and this has been crucial to the Group regularly securing national awards for their approach.

As a member of Social Value UK's (formerly SROI Network) UK Council and Assurance Subcommittee, Adam is involved in the strategic direction of the social value movement and has presented at a number of national and international events on social value/impacts.

2.0 Introduction

This report summarises the Social Return on Investment (SROI) analysis conducted on the Getting Out To Work (GOTW) offender outreach support programme, which is managed and delivered by Tomorrow's People. The analysis evaluates the impact of GOTW between 1st September 2013 and 31st August 2015. The report begins by outlining the GOTW project, prior to an explanation of the SROI framework and an evaluation of some of the social value created by the programme. Finally, recommendations on how to strengthen the measurement and management of social value are provided.

2.1 Background and Context

2.1.1 Tomorrow's People Trust Ltd. (known as Tomorrow's People)

Tomorrow's People was established in 1984 as a registered charity, number 1102759 in England & Wales and number SC040784 in Scotland, operating in 25 regional locations. In the Liverpool City Region, Tomorrow's People operate a range of programmes that work with NEET (not in employment, education or training) young people, long-term unemployed adults, offenders and ex-offenders, and people with health-related issues including poor mental health. The organisation's social mission is;

“to break the cycle of unemployment and dependency in deprived communities throughout the UK. We transform lives by ‘re-skilling’ long-term unemployed people so that they can find and keep a job” (www.tomorrows-people.co.uk)

2.1.2 Getting Out To Work (GOTW)

GOTW is funded by The Big Lottery Reaching Communities Fund, initiating in September 2013, and scheduled to complete on 31st August 2016. The programme supports unemployed adults living in Liverpool, Wirral, Knowsley or Sefton who have committed criminal offence/s, are at risk of doing so, including locally under the supervision of the National Probation Service, with one-to-one specialist and confidential support to assist clients in their quest for work.

Managed by the Charity's Merseyside Manager and delivered by three full-time, and one part-time Employment Advisors – with individuals able to self-refer, or be referred from a range of outreach host site partners and other community provision such as National Probation Centre staff, two local hostels/supported accommodation sites, HMP Kennet Resettlement Team and many other partners. The programme works to establish a level of trust with each individual client beneficiary in order to create meaningful positive changes in their lives – and as one former client states;

'everyone deserves a second chance and Tomorrow's People help you get that'

3.0 Social Return on Investment (SROI) Framework

SROI is a framework of principles that enables the measurement and ultimate management of social impacts created as a result of particular activities. Essentially, SROI asks stakeholders to explain what has, or will change in their lives, in order to quantify and monetise those changes. This monetary value is then compared to the relative costs of delivery in order to arrive at a ratio of social return. Importantly, SROI does not produce a market-based, or actual valuation; rather it uses monetisation of value to create consistency between the benefits and costs of a project or programme.

Acknowledging the subjective nature of value, SROI creates unique opportunities to account for changes in the lives of those that GOTW support, and other important stakeholders. By translating their experiences into a meaningful and shared language that is understood by decision-makers, SROI bridges an accountability-gap between key-beneficiaries and those making decisions on their behalf. Social Value UK state;

‘SROI seeks to include the values of people that are often excluded from markets in the same terms as used in markets, that is money, in order to give people a voice in resource allocation decisions’

Based on the below 7 principles, SROI explicitly uses the experiences of those that have, or will experience changes in their lives, as the basis for retrospective or prospective analysis.

3.1 Social Return on Investment Principles

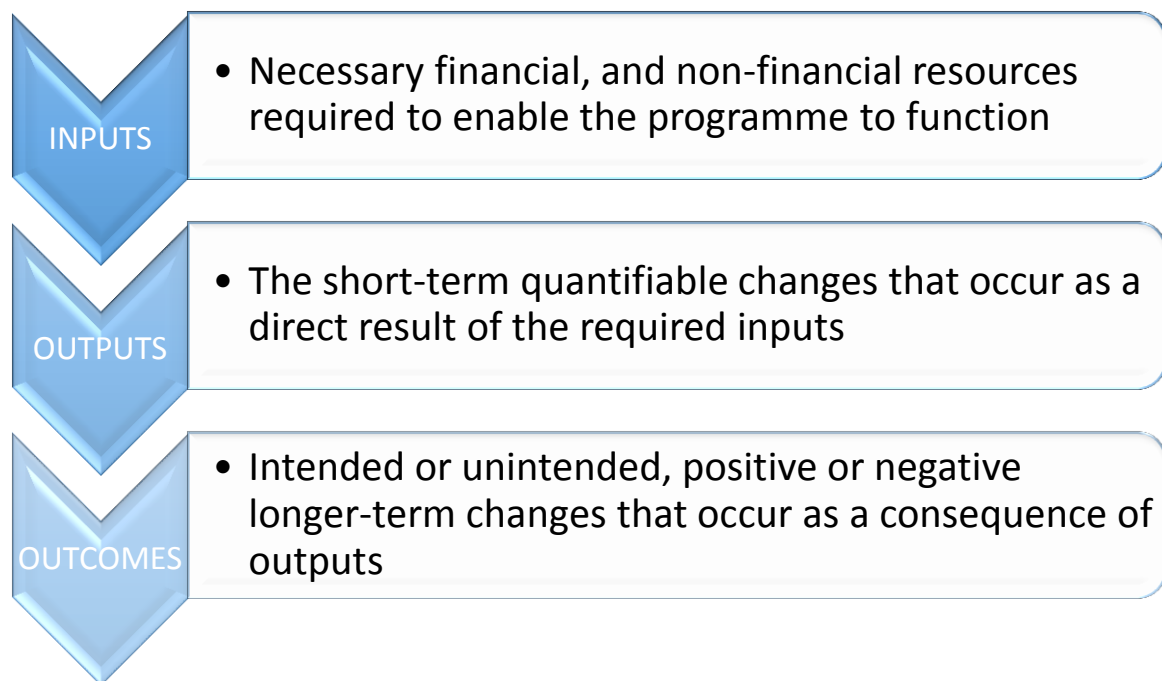
1. **Involve stakeholders:** Understand the way in which activities create changes through a dialogue with stakeholders;
2. **Understand what changes:** Acknowledge and articulate all the values, objectives and stakeholders of the organisation before agreeing which aspects of the organisation are to be included in the scope; and determine what must be included in the account in order that stakeholders can make reasonable decisions;
3. **Value the things that matter:** Use financial proxies in order to include the values of those excluded from markets in same terms as used in markets;
4. **Only include what is material:** Articulate clearly how activities create change and evaluate this through the evidence gathered;
5. **Do not over-claim:** Make comparisons of performance and impact using appropriate benchmarks, targets and external standards;
6. **Be transparent** Demonstrate the basis on which the findings may be considered accurate and honest; and showing that they will be reported to and discussed with stakeholders;
7. **Verify the result:** Ensure appropriate independent verification of the account.

(www.socialvalueuk.org)

The intention of the guiding principles is to ensure that the *how* of social impact measurement remains paramount. Each SROI analysis is able to tailor its approach to the particular situation, but principles of good practice that are shared across a range of social accounting frameworks and tools are essential to an effective analysis. For material (important) stakeholders, a theory of change is created and displayed on a Value Map that

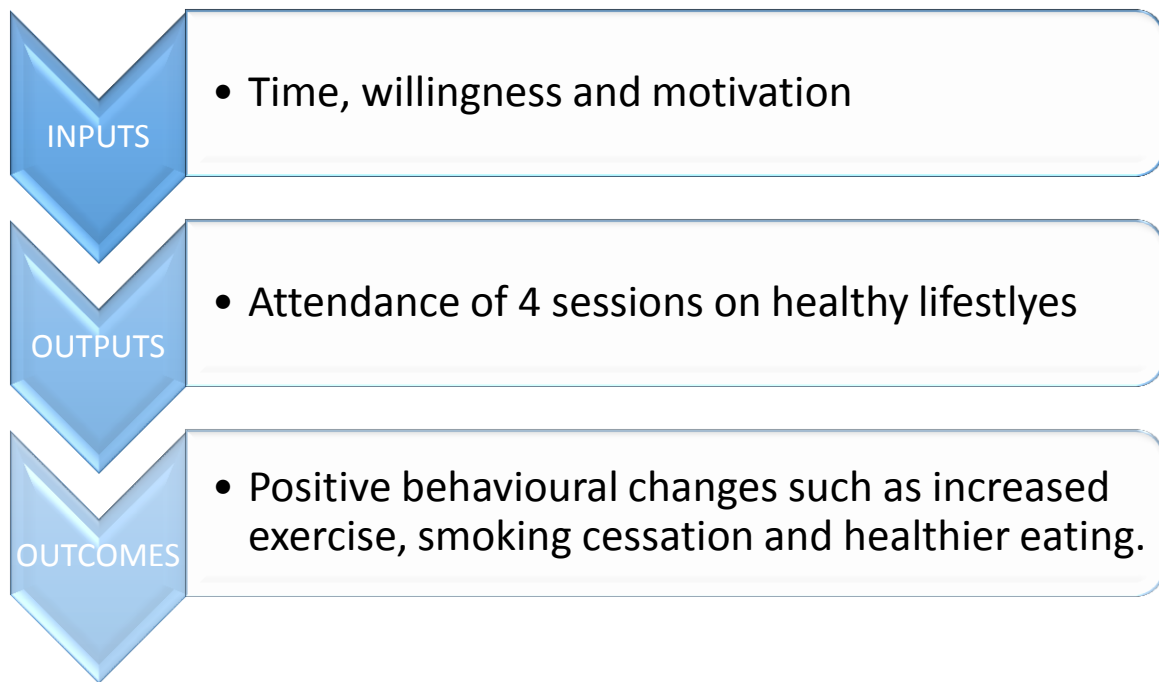
highlights the transformation from necessary inputs to their outputs, ultimately resulting in measurable outcomes. It is important to also appreciate that the ratio of social return is not the only important element of SROI. Without essential qualitative information and context, the number is meaningless. Therefore, SROI is often referred to as a story of change with a combination of quantitative and qualitative information. Figure 1 below illustrates the relationship between the elements of the theory of change:

Figure 1 – Theory of Change



SROI is an outcomes-based approach, and whilst these are often less immediate to recognise than outputs, it is only by measuring outcomes that we are able to understand if activities have been successful or not. This is demonstrated by figure 2, illustrating a brief example for people attending advice sessions on healthy lifestyles – only by measuring the outcomes can we be confident that intervention is working.

Figure 2 – Example Theory of Change for People Attending Healthy Lifestyles Advice Sessions



As will be discussed at the point of analysis, SROI also incorporates accepted accounting principles such as deadweight (the likelihood of outcomes occurring without the intervention) and attribution (the contribution of others) to measure the final impact of activities. The positive or negative impacts can also be projected over a number of years to reflect the longer term nature of some impacts, and are appropriately discounted using the Treasury's discount rate (currently 3.5%). The formula used to calculate the final SROI is;

$\text{SROI} = \frac{\text{Net present value of benefits}}{\text{Value of inputs}}$	So, if a result of 4.50:1 was produced, it means that for each £1 invested, £4.50 of social value is created.
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Overall, SROI is able to create an understanding of the value of activities relative to the costs of creating them. It is not intended to be a reflection of market values, rather it is a means to provide a voice to those material stakeholders and outcomes that have been traditionally marginalised or ignored. Only by measuring impacts are organisations able to, not only demonstrate their impacts, but also importantly improve them. This approach thereby strengthens the organisation's accountability to those that they are accountable to, which in the third sector is fundamentally the key stakeholders and beneficiaries of services.

4.0 Stakeholder Engagement & Scope of the Analysis

Owing to the timing of the analysis and the limited availability to meet many of the clients of GOTW, there are a number of potential areas of social value that were not measured by this analysis – the recommendations from this report provide suggestions as how to best approach this in future.

That is not to say that the views and opinions of material stakeholders was not sought and indeed has helped form the basis of much of the analysis. Equally, only outcomes experienced by the clients (and resultant impacts on some public services) are included in the analysis – other stakeholders such as the families of clients, and victims/potential victims of crime were not examined - **it is therefore reasonable to state that this evaluation underestimates the true overall social impact of GOTW's activities.**

Initially, two interviews with the Tomorrow's People Merseyside Manager were conducted to understand the nature and scope of GOTW and the evaluation. These were complemented by a group interview with all four Employment Advisors that provided additional context and detail. A visit to one of the supported accommodation sites was then carried out by the analyst, where interviews with the site manager, the tutor from Manchester College, and two of the residents were conducted. Additionally, two further telephone interviews with ex-residents were also conducted, as was an email dialogue with a manager of Achieve North West Connect , the lead provider of employment support in local Probation Centres.

The recommendations section of this report provides suggestions as to further material stakeholders that should be included in any subsequent analysis in order to gain a more holistic and thorough understanding of GOTW's impact.

5.0 Project Inputs

This section of the report provides an overview of the necessary inputs required for GOTW to operate and be successful. Whilst some inputs are financial, others are non-financial, but without both, the programme would not be possible. Where appropriate, inputs have been monetised to illustrate their value and contribution to the creation of material outcomes.

5.1 Client Beneficiaries

The individual service provided to clients of GOTW is free to the end user. There were a total of 530 starters between commencement of GOTW at the beginning of September 2013, and the end of August 2015. However, without appropriate inputs from the clients, this voluntarily accessed service, could not be delivered successfully. The clients' willingness and commitment to engage with the service are absolutely essential, as is the time they dedicate while voluntarily accessing the programme. Records show a total of 3,209 one-to-one support interventions were provided from September 2013 until the end of August 2015 to 530 individuals. Each session lasts approximately 1 hour, therefore on average this equates to just over 6 hour-long sessions per client. Owing to the nature of many of the interventions requiring clients to invest further time away from their direct 1-1 engagement with their dedicated GOTW Employment Advisor, an additional 2 hours has been added to each hour of service delivered. Therefore, in total it is estimated that each client contributes around 18 hours of their own time to the GOTW programme (9,627 hours in total).

There are existing proxies that value time, and a reasonable option is the national minimum wage – valued at £6.50 per hour (correct at the time clients were involved with GOTW). It is appropriate to therefore include an input value of £62,576 for total time inputted by clients (£118 per client starter).

5.2 Tomorrow's People

The contribution of the Tomorrow's People Merseyside team is also essential to the success of GOTW. Without effective management and delivery of the service, no outcomes for the clients would be possible.

The Employment Advisors who deliver the outreach one-to-one support in the community, demonstrated a consistent passion and determination to support their clients – and this was expressed as particularly important by comments from former clients, such as; *'when you speak to anyone at Tomorrow's People they don't treat you as just a person, you're an individual and they tailor the support'*. The non-judgemental approach of the Advisors was consistently outlined as essential for success by the clients themselves, sentiments echoed by the Bail Hostel Manager, who stated that the motivation and enthusiasm was essential to clients starting to believe they were capable of change.

The financial cost of operating GOTW to the end of August 2015 was £235,143 and is included on the Value Map, and serves as a reasonable value of the inputs of the Tomorrow's People Merseyside team.

5.3 Other Organisations Delivering Services & Referral Partners

Although there are a range of organisations that contribute to the development of clients, such as the management and educators at the supported accommodation sites, National Probation Service and Job Centre Plus staff, these costs have not been included separately. However, their contribution to the outcomes is recognised by the relatively high attribution figure included – see table 5 for more information.

Table 1 highlights the total value of inputs required for GOTW and identifies the value per client beneficiary, and for those that achieve one of the measured outcomes (employment, training/education or volunteering).

Table 1 – Inputs Required for GOTW

Input required	Value	Cost per client starters (530)	Cost per client achieving a measured outcome (339) *
Clients' Time	£62,576	£118	£185
Tomorrow's People Financial Investment from The Big Lottery	£235,143	£444	£694
Total	£297,719	£562	£878

* Measured outcomes are those recorded by Tomorrow's People; Employment, Training/Education & Volunteering

6.0 Outputs, Outcomes & Evidence

The immediate outputs of GOTW is the delivery of an average of 6 hours of one-to-one support to each client starter for a total of 530 individuals. However, as previously indicated it is the measurement of outcomes that allows understanding of the relative success of a programme. If this SROI analysis was conducted under strict adherence to the assurance requirements of Social Value UK, the process of analysis would have been somewhat different to that undertaken. Again though, that is not to say that this evaluation was conducted without appreciating the principles of effective social impact evaluation.

Tomorrow's People records indicate the number of clients that achieve employment, undertake training/education activities or gain unpaid voluntary work experience as measured outcomes of GOTW. Of the 530 starters, 129 clients (24% of starters) gained employment to the end of August 2015, of which 71% had maintained their employment for at least 6 months. Additionally, 29 and 246 clients had experienced voluntary work or training/educational activities respectively. Tomorrow's People also report that the number of voluntary and training/educational outcomes was higher than above - with 35 voluntary and 302 training/education - indicating that some clients had achieved more than one outcome (including 65 jobbed clients with an earlier training/education or volunteering outcome). Whilst this suggests that some clients would have potentially experienced even greater value than others, in-line with the principle of SROI not to over-claim, value is calculated for each individual, rather than the cumulative total of experiences.

Upon being introduced, or voluntarily self-referring to GOTW, each individual completes a registration process that includes the Steps to Success soft skills initial assessment process (included in appendix 1). The four skills-areas of Key Work, Attitudinal, Personal and Practical each contains 7 or 8 dimensions that are scored by the client from 1 to 4 (poor to excellent).

This process intends to allow the GOTW Employment Advisor to identify the individual needs of each client and through regular review assessments provides a summary of the changes in their lives over the course of their engaging with GOTW.

Tomorrow's People records indicate that of the 530 starters, 388 individuals demonstrate improvements across the four skills – representing 73% of all starters. In addition to this, 360 individuals (68%) received one-to-one support and advice on the important issue of disclosure, which for many offenders is a consistent barrier to making positive changes in their lives. This is just one of undoubtedly a range of further material intangible outcomes that current and former clients will have experienced as a result of GOTW, yet without the ability to engage with them sufficiently, this report is unable to fully identify or value them. Section 12 provides further insight and suggestions as to how to best consider this information in the future, whilst the discussion below outlines some of the potential outcomes revealed during the primary research conducted for this evaluation.

Through the discussions with various material stakeholders, the contribution of GOTW in important areas other than those measured by Tomorrow's People were evident. Intangible changes can have considerable value to those affected, and for many of the clients that have a longer distance to travel to employment than many, these changes could be significant.

The nature of the relationship between Employment Advisors and clients was cited as crucial to the success of GOTW. As one former client stated *'when you speak to anyone at Tomorrow's People, they don't treat you as just a person, you're an individual and they tailor the support.'* The ability of the Advisors to understand their clients' needs and respect them in order to *'work in partnership'* (Employment Advisor) was consistently stated as essential to create the necessary trust to achieve success. For some clients, owing to their situation and

previous experiences, just understanding that they can trust people is an important outcome in its own right.

Through trusting relationships, clients consistently reported feeling an increased sense of optimism. Where promises that often failed to materialise upon release from prison (such as a lack of housing support and previous employability support) induced feelings such as being *'a little bit lost'* and *'everything had just stopped,'* the support of GOTW was *'like another door opening'* (former client). It was commonly reported that the relationship between the client and their dedicated Tomorrow's People Employment Advisor, whilst remaining professional and providing the motivation required, was also considered to be almost a "friendship".

Compared extremely favourable to experiences with other services and organisations, the work of GOTW and the Advisors was identified as non-judgemental and projecting positivity that *'everyone deserves a second chance and Tomorrow's People help you get that'* (former client). The expertise and willingness of Tomorrow's People to work with people that others avoid owing to perceived barriers and fear of reputational damage, creates value that would not occur without their input. Stakeholders consulted with significant experience of working with offenders and related services identified viewing individuals as a *'toxic brand'* a consistent and recurring barrier to some clients making effective changes in their lives. Yet, thinking about the value of assisting people who would potentially be more liable to reoffend is significant. As a former client stated *'if you get bored it's a risk factor for you'* – and the risk if realised, would also be experienced by others, including the Criminal Justice System in terms of increased demand on services, the families of offenders, and importantly the victims of crimes.

It is apparent that recording only the number of clients that achieve employment, progress into volunteering, or undertake training/education under-estimates, and over-simplifies the value of GOTW's activities, and when former clients were asked about the significance of being employed this was further exemplified. Although it is accepted that employment generally results in increased wellbeing, given some clients' circumstances this is even more important to understand. Being *'accepted back into society and the community'* and being *'part of society, which I've never felt before'* are powerful statements. When understood in the context that such feelings could have demonstrable and measurable effects on the probability of reducing reoffending, are clearly of material significance. What many may take for granted, these changes were identified as *'normal things that you dream of in prison'* and can impact on so much – as one former client put it *'what will make people reoffend is if they can't make the changes they need.'*

The next section of this report highlights the appropriate duration of the measured outcomes, prior to examination of how these were ultimately monetised.

7.0 Duration of Outcomes

It is reasonable to state that different outcomes will last for different amounts of time.

However, at present no data is collected on clients beyond the programme, except six-month in-work tracking (which evidences a job retention rate of 72% at 6 months in work) and the In-Work Aftercare Support delivered by Tomorrow's People, for those jobbed clients who choose to take-up the offer. Without longitudinal data, it is difficult to be confident with statements alone that outcomes have significant duration, although those individuals spoken to that had achieved measured outcomes were confident in their persistence, and could demonstrate genuine progression in their employment.

However, owing to the nature of the clients having experience of sustained barriers to employment and personal development, it would be unreasonable to extend any of the benefits for longer than one year after the completion of their time with GOTW – therefore, two years in total.

Although GOTW is a 3 year funded programme, the data is presented in the impact map (attachment 1) over a two year period. Whilst this may look strange given the length of the programme, essentially the data for all material stakeholders has been aggregated – therefore, all of the clients and national economy outcomes over the three year period are considered together.

8.0 Monetisations of Value

The measured outcomes experienced by clients of GOTW need to be translated into monetised values in order to compare these to the relative value of creating them. Each of these outcomes will now be examined in turn.

8.1 Into Employment

The clients stated that the ultimate outcome of involvement was to secure employment, and Tomorrow's People maintain accurate data on their clients' success in this area, with 129 such outcomes (24% of starters). However, while records broadly identify the nature of employment, they do not identify salary value, and as such in order to abide by the principle of not over-claiming, it is assumed that all clients securing employment earn the national minimum wage. Therefore, a value of £6.50 per hour has been used – as although this had increased by the time of writing, the previous rate was appropriate as the value that would have been experienced by clients.

When calculating the income changes from employment, it is important to acknowledge that the new salary is not the change experienced by clients. Rather, it is the difference in net income from their new salary and the income previously received while seeking employment i.e. Job Seekers Allowance, Employment Support Allowance or similar.

Using the website entitledto.co.uk the value of Job Seekers Allowance, Housing Benefit and Council Tax Benefit were calculated (based on the lowest available allowances), as was the Working Tax entitlement related to the minimum wage salary. Table 2 displays the relevant information and identifies the final change in income for each client.

Table 2 – Change in Income; Unemployed – Employed Status

Income when Unemployed		Income when Employed	
Job Seekers Allowance	£3,882	Employment Salary	£13,520
Housing Benefit	£4,011	Working Tax Credits	£1,883
Council Tax Benefit	£603	Income Tax	- £604
		National Insurance	- £649
Total Income	£8,496		£14,150
Difference in Income	<u>£5,654</u>		

Tomorrow’s People track their jobbed clients for six months after the job start date. Of the 71 that have to date reached six months, 51 have sustained their position (72% retention). Therefore, when calculating the value of employment outcomes, it is assumed that 72% of the total of people securing employment do so for at least a year, and the remaining 28% only sustain their positions for 3 months – therefore accruing only 25% of the value of annual employment before returning to the same income as was previously the case.

In addition to the change in income through employment, it is also reasonably well accepted that there is a resultant change in an individuals’ wellbeing. Essentially, this idea accepts that people work for more than simply the financial reward – with issues such as happiness, health and self-esteem being important factors. To that end, HACT’s Social Value Calculator (See HACT at www.hact.org.uk/social-value-bank for further information) has established a range of wellbeing valuations related to employment, with different values for full and part time work. As stated, the full nature of clients’ employment is sometimes unknown, therefore the average position between the wellbeing of full time employment (£10,767) and

part time (£1,176) of £5,972 was included as a reasonable valuation, also again reflecting the varying length of employment as above.

8.2 Into Volunteering and Education/Training

The two other measured outcomes for GOTW also have a corresponding value on HACT's Social Value Calculator. The value of regular volunteering is highlighted as £2,307, whilst vocational training is valued at £1,019. Tomorrow's People highlight that 246 individuals experienced a training/education outcome, and 29 realised volunteering opportunities. However, in order to avoid double-counting, it was appropriate to reduce these figures by the numbers who subsequently attained the most important and desired change of employment. 65 clients had such multiple outcomes and have therefore already been included in the figure of 129 into employment in Section 8.1 above. Therefore, based on the relative quantity of training/education and volunteering, the quantities of clients achieving each outcome was reduced to 188 and 22 respectively.

8.3 Increased Tax Revenue & Reduced Welfare Expenditure

Owing to the nature of employment outcomes for clients, there are also resultant implications for other material stakeholders, namely the national economy. Often referred to as savings to the public purse, employment has impacts on tax revenues, welfare benefit expenditure, and these is highlighted along with impacts on criminal justice and health care costs in table 4.

8.4 Potential for Cost Reallocation on Criminal Justice and Health Care

Although not as obvious as changes to tax and welfare, changes to employment also potentially influence criminal justice and health care costs. The DWP state that whilst the link between employment and crime is not clear, there is a well-documented relationship between income and crime. Evidence highlights that for each 10% increase in income there is

a corresponding reduction in the propensity to commit crime by 1.8 percentage points, resulting in a fall of 6%. Clients' change in income of £5,654 in comparison to previous income (£8,496) is a change of 66.54%. When multiplied by 0.6, this indicates a reduced propensity to commit crime of 39.93% - it is this figure that can then be compared to the costs of crime to arrive at a reasonable proxy of potential reallocated criminal costs. Table 3 illustrates the cost of property crime (used as an appropriate measure) based on different ages and genders of offenders.

Table 3 – Costs of Property Crime

Category	Annual Cost of Property Crime	Value of Reduced Propensity to Commit Crime (39.93% of Annual Costs)
Males aged 17-24	£5,170	£2,064
Males aged 25+	£2,610	£1,042
Females aged 17-24	£1,250	£499
Females aged 25+	£444	£177

In order to avoid over-claiming, the values for both genders when aged over 25 have been used, representing £177 value per female client and £1,042 per male client. Based on the actual numbers of females and males securing employment after involvement with GOTW as 6 and 123 respectively, the corresponding total value, is over £60,000 after discount factors have been included.

When considering the value to health care costs, the DWP state that there is strong evidence that employment has positive effects on an individual's health status. Evidence that a

reduction of 33% in GP consultation rates and medical costs is achieved equates to £508 of value per client supported into employment.

For both criminal and health impacts, value has been included for only the 72% of jobbed-clients that secure work and maintain it for at least six months. In order to avoid over-claiming this is a reasonable inclusion, as many of the associated benefits would only be realised after a period of sustained employment. Table 4 displays the overall value to the national economy based on an individual moving from unemployment to employment and sustaining their new position for 12 months.

Table 4 – Annual Change to National Expenses Owing to Employment

Form of Expenditure / Income	Value
Job Seekers Allowance	£3,882
Housing Benefit	£4,011
Council Tax Benefit	£603
Working Tax Credits	- £1,883
Income Tax	£604
Employees National Insurance	£649
Employers National Insurance	£1,062
Criminal Justice Potential Savings (female / male)	£77 / £1,042
Health Care Potential Savings	£508
Total Value – Female / Male	£9,613 / £10,478

9.0 Impacts of GOTW

In order to calculate the impact of GOTW's work, the SROI framework employs accepted accounting principles that take into account what could have happened anyway, the contribution of others, displaced outcomes and the rate at which value reduces over time.

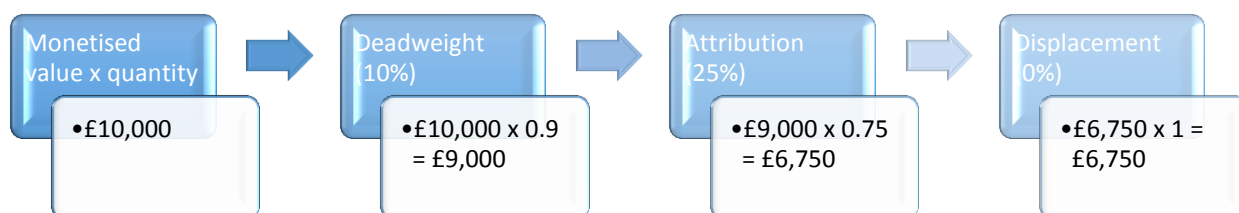
These key considerations are outlined below in figure 3.

Figure 3 – Impact Measures



Final impact is therefore calculated by multiplying the monetised value by the appropriate quantity of stakeholders that experience a particular outcome, and discounting this by the relevant factors above. For example, if 100 stakeholders experience an outcome that will last for 3 years valued at £100 each, there is a combined value of £10,000 in the first year. Assuming a deadweight figure of 10% (10% likelihood of outcome occurring without intervention), a 25% attribution rate (25% of value created by others) a 0% displacement factor (not displacing activities from elsewhere) and a drop-off rate of 50% (value reduces by 50% each year after year 1), the result would be as follows for year 1;

Figure 4 – Impact Measures Worked Example



Taking into account the impact factors, the initial valuation of £10,000 has been adjusted to £6,750 as a more credible reflection of the impact created by the activities being investigated. Owing to the drop-off factor being 50%, for year 2 this would be reduced to £3,375, and £1,687.50 for year 3 – again better reflecting the true nature of value creation.

Table 5 highlights the impact factors included in this analysis, along with a brief explanation for each – where there is consistency the outcomes have been grouped together.

Table 5 – Impact Measures Included in Getting Out To Work

Outcome	Deadweight	Attribution	Displacement	Drop-off
<p>Employment – these measures have been employed consistently across the outcomes for the clients and the national economy</p>	<p>25% reflecting the reasonably low likelihood of clients achieving employment without the influence of GOTW, owing to the nature of the clients and their distance from employment.</p>	<p>50% reflecting the influence of individuals and other organisations (i.e. Hostel staff & Job Centre). Albeit consistent data suggested that other agencies had limited involvement.</p>	<p>13% based on English Partnerships displacement rate for employment outcomes from intervention investments.</p>	<p>75% reflecting the necessary significant ongoing commitment from the clients to maintain the value of these outcomes.</p>
<p>Volunteering</p>	<p>10% reflecting the very low probability that the clients would have had the motivation and confidence to achieve these outcomes without GOTW's encouragement and support.</p>	<p>50% reflecting the necessary input from other people in the lives of clients such as family and friends, and the organisations in which they are volunteering or training.</p>	<p>0% reflecting that value has not been displaced from others as a result of these outcomes.</p>	<p>75% reflecting the necessary significant ongoing commitment from the clients to maintain the value of these outcomes.</p>
<p>Training / education</p>	<p>25% reflecting the reasonably low likelihood of clients achieving training or education outcomes without the influence of GOTW.</p>	<p>50% reflecting the necessary input from other people in the lives of clients such as family and friends, and the organisations in which they are volunteering or training.</p>	<p>0% reflecting that value has not been displaced from others as a result of these outcomes.</p>	<p>75% reflecting the necessary significant ongoing commitment from the clients to maintain the value of these outcomes.</p>

10.0 SROI Results

This section of the report presents the overall results of the SROI analysis of GOTW. Owing to the presentation of the overall impact being over a two year period that does not disaggregate each year's quantities of material stakeholder outcomes, there is no value in presenting the impact for each of the two years separately. It is more important to appreciate the value that is created for the two material stakeholders included in the analysis. Table 6 displays the total present value of impacts for both the clients and the national economy.

Table 6 – Value of Impacts for each Material Stakeholder

Stakeholder	Total Present Value of Impacts	Proportion of Value
Clients	£589,272	48%
National Economy	£648,206	52%
Total Present Value of Impacts	£1,237,478	100%

Overall, there is relatively little difference between the value created for the two material stakeholders included within this analysis. Given the relatively significant number of clients experiencing employment outcomes, the distribution of value is not surprising, and demonstrates the importance of such programmes to both stakeholders.

Owing to the different types of monetised value employed in this analysis, it is also important that results are presented to reflect changes in income owing to employment, wellbeing valuations (related to measured outcomes), actual cost changes (government expenditure

and income) and potential for cost reallocation (implications for health and criminal justice). Again, owing to not measuring behavioural changes, this report is unable to report on any values identified by material stakeholders. Table 7 displays this information.

Table 7 – Different Types of Impacts

Stakeholder	Total Present Value of Impacts	Proportion of Value
Income change	£229,356	19%
Wellbeing valuations	£359,915	29%
Actual financial changes (tax & welfare payments)	£558,250	45%
Potential cost reallocation	£89,957	7%
Stakeholder identified valuations	N/A	N/A
Total Present Value of Impacts	£1,237,478	100%

The results highlight that value created through the employment of clients is the most significant, again, as would be expected. The value to the national economy through reduced welfare payments and increased tax income, along with changes to clients' incomes creates £787,606 of value – representing two-thirds of the total value created.

Wellbeing has the second largest value, although this category includes the range of wellbeing associated with outcomes in employment, volunteering and training/education. It was reported by the Employment Advisors that many of the clients looked unfavourably on volunteering, with the need to legitimately improve incomes a necessity for many to reduce the likelihood of re-offending. Training and education related outcomes were also consistently reported as being the means to achieving the end goal of employment. As the results indicate, many of those clients (24%) with training/education outcomes also achieve employment outcomes, which supersedes the value of training/education. As highlighted by the clients and other key stakeholders, the wellbeing realised as a consequence of employment could potentially be far more significant than the results indicate. The wellbeing valuation used is representative of the average change - however, as already highlighted, given the barriers faced by many of the clients, employment signifies potentially a far more impactful change in their lives than the average situation.

Finally, although relatively low, the value created in the form of potential cost reallocation is an indication of the potential to measure such outcomes as a result of employment. Again, these figures represent an average situation, and given many of the clients' backgrounds may significantly undervalue the true impact. This has implications not only for potential cost reallocation to Criminal Justice services, but also to the potential victims of crime – who are of clear material significance through the work of GOTW.

To calculate the net present value of impacts, the value of the necessary financial and non-financial inputs are subtracted from the net present value, and this information along with the final SROI ratio are presented in table 8 below.

Table 8 – Final Results

Total Present Value	£1,237,478
Net Present Value (Total Present Value minus Input Value)	£939,759
Social Return on Investment	£4.16 : 1

The final results for GOTW are significant. From inputs valued at £297,719 (from The Big Lottery Reaching Communities Fund), there is a total present value of over £1.2m, creating a net present total value of £939,759, and a final social return on investment of £4.16:1.

This signifies that for each £1 of value invested, £4.16 of value is created.

11.0 Sensitivity Analysis

In order to provide further confidence, it is important to conduct sensitivity analysis on the final results. This requires the alteration of a single factor at a time to understand its influence.

As the most significant factor, by halving the number of clients that successfully realise employment outcomes reduces the result to £2.28:1. The reduction of 45% is significant, and although the numbers of clients are actual figures, so there is confidence in this figure, the significance of the quantity of clients achieving employment outcomes is evident on the value of the programme.

Increasing the deadweight of achieving employment from 25% - 50% results in an SROI of £2.90:1, whilst radically increasing the input of clients from the current addition of 2 to 9 hours per hour of one-to-one contact reduces the SROI to £2.79, and similarly reducing all outcomes to a maximum duration of a single year reveals a reduction to £2.77:1.

Whilst all of the changes have a reasonable effect on the social return on investment, the sensitivity analysis demonstrates that the impacts measured on the Getting Out To Work programme managed and delivered by Tomorrow's People, creates significant social value and return on investment.

12.0 Recommendations

As highlighted, GOTW creates significant social impact, yet it is reasonable to state that further potential areas of social value have not been measured or included in the analysis. This includes potential intangible outcomes for the clients such as, reduced loneliness and isolation, strengthened family relationships and the significant issue for many of feeling part of society once again, or for the very first time in their lives.

These are all areas of social value that were identified during the conversations with clients, their Employment Advisors, and professionals within the National Probation Service, and as such, should be considered for inclusion in any further analyses. This requires an increased level of stakeholder-engagement. Yet, owing to the nature of many of the clients, group discussions would be impractical – therefore, although being more resource-intensive, it is recommended that an appropriate number of individual interviews are conducted with current and former clients. It is difficult to identify an adequate number of interviews – there is no statistical figure that can be applied to qualitative interviewing. Instead, sufficient number of interviews should be conducted until saturation point is reached – that is where no new information is being obtained from the clients. In order to most effectively conduct these interviews, it is also recommended that the clients are stratified into sub-groups, along potential lines of gender, age, or perhaps most appropriately offence-status and Multi-Agency Public Protection Arrangements (MAPPA) categories of offence, as these are likely to reveal potentially different outcomes. For example, different MAPPA categories will likely have different national average rates of re-offending, and as such will yield varied comparable data to the clients in both re-offending rates and likelihood of employment without the input of GOTW. Some of this information is already recorded by Tomorrow's People, for example, 30 of 45 residents from the local hostel visited during this analysis,

achieved training/education or voluntary experience outcomes, and 6 attained employment. This demonstrates the internal capability to record such information and should be a priority for subsequent analyses.

Equally, for those clients that are at risk of, or on the fringe of offending, the potential value of GOTW should be considered separately to those that have previously offended. Again this will provide important information on the impacts of the programme, and create better understanding for improved decision-making.

Equally, additional stakeholders should also be consulted, such as the families of clients and other services that could be affected by the clients' outcomes. As clients experience outcomes such as moving into employment, the consequences to close family members and other important people in their lives, including changes such as improved family stability, improved lifestyle, healthier and stronger relationships and other measures of wellbeing, should also be included to arrive at a more holistic understanding of the impacts of GOTW.

Wider material stakeholders including the potential victims of crime and the Criminal Justice System also need to be considered in subsequent analyses. Recording of re-offending rates, again stratified by the different MAPPA categories of offence, and offending rates for those at risk of doing so for the first time, will provide valuable insight into the impacts of GOTW. Given the changing landscape of Probation Services nationally and the increasing likelihood of future delivery models including elements of payment by results, with resultant pressure to record relevant data, it is imperative that such measures are implemented.

Following the principles of the SROI framework will enable the voice of key stakeholders to be heard more effectively in understanding what has changed for them, and provide further opportunity to test the significance of factors included in the sensitivity analysis. Employing

non-prescriptive questioning will allow important outcomes to emerge from the material stakeholders. By allowing those stakeholders to indicate the value of those changes, and the role of other important stakeholders in their creation, will improve understanding of the work of Tomorrow's People and their outreach teams of Employment Advisors.

It is also important to explicitly consider any potential negative outcomes that occur as a result of activities, to ensure that an honest understanding of value is created. Importantly therefore, it would be valuable to understand the experiences of former clients that do not sustain their employment or achieve any of the other outcomes – currently it is assumed that their wellbeing returns to the previous state, but there is the need to test this assumption. Such information will help to improve the future delivery of the programme, for instance providing information on the most suitable type of employer/s or training providers to target.

It is also recommended that any subsequent SROI analysis is conducted with the intention of gaining independent assurance from Social Value UK. The assurance process ensures that the framework's principles have been reasonably adhered to and will help to further refine understanding and the ability to manage social impacts at Tomorrow's People. The identified information can then inform the development of programme-specific systems of data collection that allow Tomorrow's People to better understand the impact of their work. Ultimately, the time and resources required to do this would provide the opportunity to better manage the social impacts of activities, and would not require the same level of investment each year, as if suitably embedded, the requirements are less intensive.

13.0 Appendices

Appendix 1 - Outline of the Tomorrow's People Steps to Success soft skills measurement

document

Key Work Skills;	Attitudinal skills	Personal Skills	Practical Skills
Team working	Motivation	Personal appearance	Completing forms incl. job applications
Problem solving	Confidence	Levels of attendance	Writing/updating a CV
Numeracy skills	Awareness of opportunities to progress	Timekeeping	Ability to use tools and equipment
Literacy skills	Recognition of prior skills	Personal hygiene	Telephone skills
IT skills	Improvement of own situation	Health & fitness	Job Interview skills and preparation
Work place experience	Positive attitude	Concentration	Ability to manage money
Listening to people	Ability to make positive things happen	Willingness to change	Awareness of rights and responsibility
Talking to people			

Please see attachment 1 for the full Impact Map