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Valuing potential

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An SROI analysis on Columba 1400



THE BADENOCH TRUST

Valuing potential

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Cover photograph supplied by Columba 1400.

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Introduction

Katy's story

Katy's parents separated soon after her twelfth birthday. Her mum struggled to cope, and Katy was taken into care six months later. Being in care seriously unsettled Katy:

'I was so sick of being moved around. I went off the rails a bit. I just did not know when my life would be turned upside down again.'

Angry and confused, Katy often lashed out at the social workers trying to help her, leading to the police being called on three occasions. She left school at sixteen, but with no clear idea about what to do next. The next month she received an ASBO for fighting outside a nightclub.

Volunteering twice a week was the one stable thing in Katy's life. Through this, she got the chance to participate in a Columba 1400 leadership academy.

'I found that I had a lot more confidence than I thought. This made me see the good in me, which made me see the good in others. I went up there bitter with what had happened in my past. I left knowing that I had the strength to achieve whatever I set my mind to.'

As for many young people who get the chance to participate in Columba 1400, things have changed for Katy. She is now getting on much better with her social workers. She has a job at the local supermarket, and her voice bubbles over with excitement when speaking about her future. Katy will enrol next year at her local college, as she wants to qualify as a social worker herself and one day help young people in care.

What are you doing with your life?

Do you remember when you were seventeen? What were you planning on doing with your life? Your future was probably not completely mapped out, but you may have been in school, hoping to go to college or university the following year. Or you may have got a job already and started working towards your first promotion.

For most young people, the transition from school is fairly smooth—perhaps a few bumps along the way, but successful overall. However, for some young people like Katy, the transition is far from smooth.

Scotland has a particularly high proportion of young people who are Not in Education, Employment or Training (NEET). In 2006, one in eight young people in Scotland between the ages of 16 and 19 was NEET.^{1*} These young people are disproportionately likely to come from poorer backgrounds. They have often left school with limited or no qualifications.² Young people who have left, or are about to leave, local authority care are particularly at risk of failing to make a successful transition after school.³

Young people who are NEET often lack the confidence even to consider being in education, employment or training. Improving confidence and other such social skills may therefore be a critical first step.⁴ For those who are at risk of becoming NEET, improvements in social skills may help to prevent them from becoming so.

The purpose of this report

This report is a Social Return on Investment (SROI) analysis on **Columba 1400**, a social enterprise in Scotland that wants young people to fulfil their potential. To this end, Columba 1400 runs 'leadership academies' for young people and those who work with young people, including teachers and social care workers.

The purpose of this report is not to turn Katy's story into a number. We hope instead to strengthen stories like Katy's by demonstrating the impact that Columba 1400 has on the young people participating, as well as by making the case that we all benefit from Columba 1400's work.

A brief description of Columba 1400

Columba 1400 was founded in 1997, and since its leadership centre opened on the Isle of Skye in 2000, over 3,200 young people have graduated from a Columba 1400 leadership academy. Columba 1400 runs several types of leadership academy:

* *More Choices, More Chances* is the Scottish Government's strategy to reduce the proportion of young people who are NEET. Published in 2006, the strategy is both about helping young people not to become NEET and about helping those who are already NEET.

Each day focuses on a core value of the Columban code of leadership—awareness, focus, creativity, integrity, perseverance and service.

- The Young People's Leadership Academy (YPLA) works with young people from particularly tough backgrounds. Many have recently left local authority care. Others are in contact with drug and alcohol programmes. The age of those participating in YPLA varies, but most are between 16 and 19. Also participating in YPLA are those who work with these young people—eg, social workers.
- The Ambassadors' Leadership Academy (ALA) is focused on inspiring change in schools. ALA therefore works with a younger age group—12 to 16 year olds who are still in school. Also participating in ALA are those who work with these young people—eg, teachers and head teachers.
- The Head Teacher Leadership Academy (HTLA) works with head teachers, and sometimes with their equivalents in the social care system. No young people take part in this programme. Columba 1400 started HTLA after recognising the critical leadership role head teachers play in the lives of young people.
- The Coracle Programme brings together young people who have graduated from YPLA and leaders from the corporate world. The aim of the programme is for participants to share leadership experiences.

Appendix 1 gives a short history of these current programmes. Underpinning all of Columba 1400's work is a quotation by John Buchanan: *'Our task is not to put the greatness into humanity, but to elicit it, for the greatness is there already.'* This philosophy is shared by all of its leadership academies.

More practically, all leadership academies have three phases. At the heart of what Columba 1400 does is a six-day residential programme on the Isle of Skye. Each day focuses on a core value of the Columban code of leadership—awareness, focus, creativity, integrity, perseverance and service. These values are reinforced through a mixture of activities; for example, towards the end of the programme, groups are given the task of running their own pretend community for a day.

Columba 1400 also works with participants and the wider community for several months both before and after the programme to make sure that the six-day residential phase is connected to everyday life. These before and after phases vary in length and level of engagement, depending on the needs of a particular group.

The SROI approach

Social Return on Investment (SROI) is a tool for measuring social impact. It can be thought of as a broad approach to cost-benefit analysis, which is primarily used by governments in

deciding whether or not the benefits resulting from an intervention justify its costs.⁵ While cost-benefit analysis is concerned with benefits in terms of savings to the public purse, SROI considers the benefits to all groups that have a stake in an organisation, not just the government.

SROI also has its roots in traditional return on investment analysis, but has a different definition of value. SROI includes the social, environmental and financial value created by an organisation.

SROI analyses how an organisation creates change and, if possible, values this change in financial terms. This report follows as closely as possible the approach as outlined by SROI UK and by the new economics foundation (nef):^{6,7}

- define scope;
- complete a stakeholder analysis;
- develop an impact map;
- identify appropriate indicators and financial proxies;
- collect data on these indicators and financial proxies;
- find appropriate comparison data;
- collect data on expenditure or investment;
- calculate the SROI;
- do a sensitivity analysis; and
- produce an SROI report.

REDF, a San Francisco-based venture philanthropy fund, developed the original approach to SROI. Over time, the REDF approach has evolved and other organisations have also adapted it to their own context.⁸ nef was important in adapting the approach to a UK context.

In addition to a common framework, SROI UK is also developing a set of common principles.⁶ These principles will hopefully establish the criteria for using SROI as a tool for measuring social impact. See Appendix 2 for further details about how this report aligns with some of the principles as currently agreed.

Scope and content

Defining scope is the first step in an SROI analysis. This report looks at the Young People's Leadership Academy (YPLA) in 2006. This was a practical consideration, given that Columba 1400 only collects data to quantify results for YPLA, and 2006 is the latest year for which data is available.

Even after defining scope, we had to make some decisions about what to include in the analysis at several stages. Box 1 explains how these decisions were made.

Columba 1400 has the potential to make a difference to many groups. **Chapter 1** identifies the stakeholder groups to YPLA and what changes these groups hope to achieve through the programme. Only the young people participating and the state were included past this stage. Even then, only the impact of YPLA in terms of young people being in education, employment or training was considered.

Chapter 2 calculates what impact YPLA has in terms of young people being in education, employment or training. What young people who participate in YPLA are doing before and after the programme is compared to what similar young people who do not participate in YPLA are doing. We find that young people are in employment rather than NEET because of YPLA.

Chapter 3 therefore develops a model of how a young person being employed is beneficial to society, and calculates the social return on investment for YPLA.

In **Conclusions and recommendations**, the value of investing in young people is discussed, and some recommendations made about what could be measured to capture more fully the value created by Columba 1400.

Technical notes

We use the term 'Not in Education, Employment or Training' (NEET) in this report. A young person is said to be NEET if he or she is neither in formal education or training, nor in employment. In 2006, one in eight young people in Scotland between the ages of 16 and 19 was NEET.¹

In reality, this includes young people in a wide range of circumstances, not just those who have left school without qualifications and do not go on to college or into employment. It also includes those on gap years and those who had to leave school to care for a sick parent.

How useful NEET is as a category is debatable. On the one hand, talking about the 'NEET problem' is meaningless when so many different types of young people are included. The term itself has also fallen out of favour recently because it defines people negatively—by what they are not.¹

On the other hand, helping young people not to become NEET, and helping those who are, is high on the policy agenda in Scotland.⁹ The category is used as a proxy for those young people for whom the transition from school to work is far from smooth, with long spells of unemployment or economic inactivity, and

Box 1: Focusing on what is important

This report looks at the Young People's Leadership Academy (YPLA) in 2006. YPLA is the longest running programme, and is one of Columba 1400's main programmes. In 2006, Columba 1400 ran 36 leadership academies, 19 of which were YPLA.

Even after defining this scope, we had to make some decisions about what to include in the analysis. At all stages, we were guided by what was important to the analysis, but also what was possible to include, given the available data.

Not all stakeholders are included. This was partly a practical consideration, but it was also a deliberate focus on what we consider to be the most important stakeholder group—the young people participating.

Not all the value created by YPLA for these young people can be quantified, however. To do so would require good quantitative data that indicates what has changed because of YPLA. Columba 1400 only collects data on what young people are doing—whether or not they are in education, employment or training—before and after the programme.

A young person fulfilling potential as traditionally defined is beneficial in many ways. Not all benefits can be valued in financial terms, however. We decided to be conservative in our approach and only value those benefits that definitely result from being in employment as a young person.

Focusing the analysis prevents it from becoming overburdened. It also has the advantage of telling a clearly defined story of change. But it inevitably neglects to include all of the change that Columba 1400 hopes to achieve. In the conclusions and recommendations we therefore make some recommendations about what could be measured to capture more fully the value created by Columba 1400.

for those who have even more serious issues to deal with, such as homelessness. The proportion of young people who are NEET in Scotland has remained unchanged for the past ten years, and Scotland has a particularly high proportion of young people who are NEET.⁹

About NPC

New Philanthropy Capital (NPC) is a charity that maximises the impact of donors and charities—it does this through independent research, tools for charities and advice for donors. Its research guides donors on how best to support causes such as cancer, education and mental health. As well as highlighting the areas of greatest need, NPC identifies charities that could use donations to best effect. Using this research, it advises clients and their trusted advisors, and helps them think through issues such as:

- Where is my support most needed and what results could it achieve?
- Which organisation could make the best use of my money?
- What is the best way to support these organisations?



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Making a difference

1

One hundred and sixty seven young people participated in the Young People's Leadership Academy (YPLA) in 2006. But Columba 1400 has the potential to make a difference to more than just this number. Other groups, from the social workers who also participate to the local community on the Isle of Skye, where the leadership centre is based, also have a stake in the programme.

This chapter identifies the groups of stakeholders in YPLA and what change each group hopes to achieve through the programme. The analysis is then limited to two stakeholder groups—the young people participating and the state—and focuses on what YPLA actually achieves for them.

Identifying stakeholders

We identify the following groups of stakeholders:

- those participating in YPLA, broken down into young people and into the others who participate, including social workers and a few teachers;
- those who are connected in some way to participants, including family, friends and the wider community;
- donors and funders, including more specifically the government;
- Columba 1400 staff; and
- the local community on the Isle of Skye, where the Columba 1400 leadership centre is based.

For each stakeholder group, what change the group hopes to achieve through the programme is then identified. This stage of the analysis is informed by conversations with stakeholders in Columba 1400; further details of this stakeholder engagement is given in Appendix 2.

Participants

Those participating in a programme are its most obvious group of stakeholders, and YPLA is no exception. The aim of Columba 1400 is to inspire change in young people's lives. It hopes to achieve this ambitious goal by teaching young people, and those who work with young people, the values of the Columban code of leadership.

Young people

Ask a young person arriving at the Columba 1400 leadership centre what he or she wants from the programme, and the most common reply is to be more confident. YPLA is also seen as a chance to make friends, or to get to know other participants better. For some, YPLA may represent a chance to make a change in their life. For example, someone using drugs may see YPLA as a chance to stop. But not all young people will have a clear idea of what change they would like to make.

Other participants

Those who work with young people, including social workers and teachers, will probably have a clearer idea than the young people of what change they would like to make. Many would like to reconnect with the young people with whom they work. Some may see YPLA as a chance to learn leadership skills.

Family, friends and community

The family and friends of the young people participating care about what happens to them, now and in the future. These two groups therefore have a stake in YPLA.

The families of young people participating will have different ideas about what they want from the programme. Many will want the young people to have a worthwhile experience. This may fit in with the more general wish that the young people be happy and healthy, now and in the future. Some will want better relationships with the young person in their life.

The friends of young people participating, who are not taking part themselves, will probably have less clearly articulated ideas about what they want from the programme. They may hope that their friends have fun, but probably do not anticipate the 'ripple effect' of a group of young people, having experienced Columba 1400, wanting to share this experience with others. This ripple effect is an important part of how Columba 1400 hopes to achieve change. It may also occur because others are drawn to the positive quality exuded by graduates.

“The biggest thing for me was actually being able to talk in front of people and actually being listened to as well.”

YPLA graduate

Donors and funders

The satisfaction in seeing young people succeed may motivate some funders. Many will want young people to have fun now, with the intention that the Columban code of leadership helps them to make positive changes in their lives. Many funders will be interested in the improved life chances of Columban participants.

More specifically, the government has a stake in how a young person participating in YPLA translates into savings to the public purse. Savings could be anticipated in many different areas—the tax and benefit system, the healthcare system and the criminal justice system, for example. Better relationships between students and teachers, and young people and their social care workers, through joint participation in YPLA, may result in more effective education and social care systems.

Columba 1400 staff

Like some of the other groups discussed, Columba 1400 staff will want those who participate in YPLA to succeed. More directly, many enjoy working for an organisation that has a strong ethos.

Local community

A social enterprise like Columba 1400 will have value for the local community. This value may be jobs created, particularly important for an island

community like Skye. Columba 1400 is the largest private sector employer on the island. It may also be the social value created—the leadership centre, which has computer facilities and a café, is open to the local community.

Focusing on individual impact

Table 1 summarises the stakeholder analysis. Many different groups hope to achieve something through YPLA. These groups therefore invest in the programme: participants put in time and energy; family and friends contribute their support; donors and funders give money.

What results from these investments? The analysis is limited at this stage to include only the stakeholder groups that satisfy two criteria:

- what is being achieved for that group is central to the aim of Columba 1400; and
- what is being achieved for that group can be quantified.

The young people participating and the government are the two groups identified as fulfilling these two criteria.

Of course, limiting the analysis to these two groups means that the value created for other stakeholder groups is not included in the SROI analysis. For example, the analysis does not include the value of social workers and teachers having a renewed commitment to their jobs after participating in YPLA.

Table 1: Who benefits from YPLA?

Stakeholder	Benefits for the stakeholder
Young person	<ul style="list-style-type: none"> • To be more confident • To make friends or get to know other participants better • To make a change in his or her life—eg, to get off drugs
Other participants, including teachers and social workers	<ul style="list-style-type: none"> • To reconnect with young people • To learn leadership skills
Those people connected with young people in some way, including family, friends and the wider community	<ul style="list-style-type: none"> • For young people to have a worthwhile experience • For young people to be happy and healthy • To have better relationships with young people
Donors and funders, including more specifically the government	<ul style="list-style-type: none"> • For young people to have fun and learn leadership skills and values • For young people to be happy and healthy • For young people to have improved life chances • To have savings to the public purse • To have more effective social care and school systems • For society to be better off
Columba 1400 staff	<ul style="list-style-type: none"> • For young people to succeed • To have an enjoyable and worthwhile job
Local community on the Isle of Skye	<ul style="list-style-type: none"> • To benefit economically and socially from a social enterprise

Unfortunately, the value created by the ripple effect of participants creating change in their communities is not included. Measuring that change is difficult, and inevitably what is important must be combined with the practical consideration of only looking at those changes that can be measured in some way. In the conclusions and recommendations, we make some suggestions for measuring the impact of Columba 1400 on the community.

What difference does YPLA make?

From this point, the analysis therefore focuses on what YPLA achieves for two stakeholder groups—those of the young people participating and of the government.

Young people

Columba 1400 aims for young people to fulfil their potential. From the stakeholder analysis, we know that young people may not articulate such an ambitious objective before participating in YPLA. However, participating in YPLA may result in young people making positive changes, large or small, in their lives. This is our definition of fulfilling potential, and some examples, taken from recent evaluations, are given in Figure 1.^{10, 11}

How may participation in YPLA result in these changes? The Columban code of leadership is a set of values that participants are encouraged to apply to their everyday lives, which may in turn lead to some of these changes.

More practically, the Columban code of leadership falls within the broader category of what are generally called 'social skills'. These are not as easy to define or measure as the hard skills of being able to read and write, but they are increasingly being recognised as important.¹² Some examples of social skills include:

- getting on well with others;
- having the determination to see something through; and
- bouncing back after disappointment.

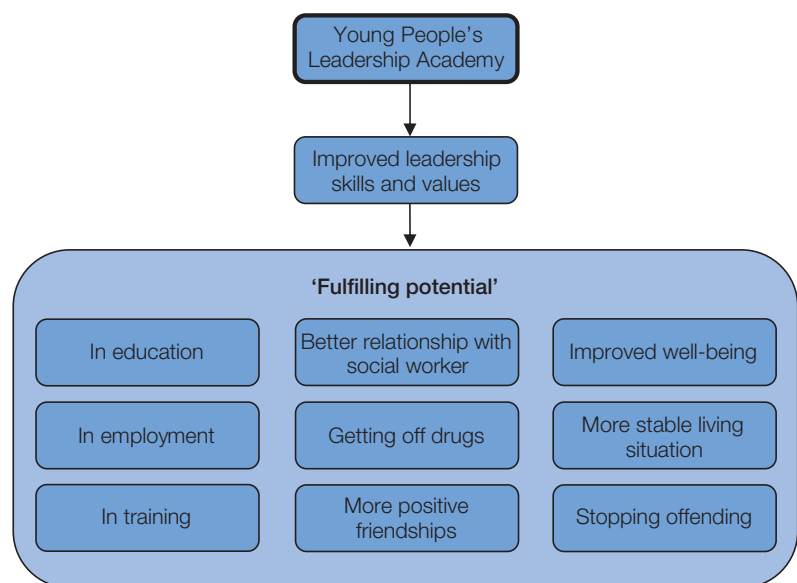
Research suggests that after early childhood, improving social skills is one of the best ways of helping people from tough backgrounds.^{9, 13} Indeed, those who work with such young people recognise that an improvement in confidence is often the first step in someone turning his or her life around.⁴

In terms of young people making changes in their lives and sustaining this change, Columba 1400 hopes that the group focus of YPLA will be important. Groups are important for mutual encouragement, helping individuals to stick

to commitments made during the six-day residential programme. A group having a shared experience may help to sustain the momentum that can be lost in everyday life. Groups may even provide the critical mass for achieving more than individual goals.

In the context of Columba 1400, improved values or social skills in turn help young people to make positive changes in their lives. Not all changes will be applicable to all participants, and even when relevant, these changes will not happen for every participant. Much depends on the individual's starting point and the barriers to be overcome. Success for one young person may not necessarily represent success for another.

Figure 1: How does YPLA help young people to fulfil their potential?



The government

The other stakeholder group included in the analysis is the government. Some of what is achieved in terms of savings to the public purse can be quantified, but this practical reason is not the only one. Including the state in the analysis means that some of the value of YPLA to society is captured.*

What change is measured?

Not all the change created by YPLA for young people participating and the state can be measured. Columba 1400 collects data on what young people are doing—whether or not they are in education, employment or training—before and after the programme. We can therefore estimate who is in education, employment or training because of YPLA participation.

* Society in an SROI analysis is generally defined to include the individual and the state, which represents all other individuals.



Photograph supplied by Columbia 1400

Measuring impact

2

Young people have a lot going on in their lives. After the age of 16, they have a choice about what to do—they can stay on in school, and then decide to go on to university or college. Or on leaving formal education, some may decide to enter a training programme, or to get a job.

Others may fail to make a smooth transition after school. The lives of the young people participating in the Young People's Leadership Academy (YPLA) are particularly chaotic. In 2006, two in five young people participating in YPLA had recently faced the additional transition of leaving local authority care.

Their chaotic lives put these young people at greater risk of becoming Not in Education, Employment or Training (NEET), and remaining NEET for a longer period of time.¹ By age 17, only one in eight care leavers in Scotland is still in school.³

This chapter calculates what impact YPLA has in terms of young people being in education, employment or training. What young people are doing before and after the programme is compared to what similar young people who do not participate in YPLA are doing. This allows for an analysis of what difference YPLA actually makes.

What are YPLA participants doing?

Columba 1400 collects data on what young people are doing before participating in YPLA. This data, given in Table 2, is one indication of who YPLA works with: are the young people still in school, or at college or university? Or have they left formal education, and are in employment or in a training programme? Or are they NEET?

Table 2: What young people are doing before YPLA

	Number	Percentage
In education	37	47%
In employment	4	5%
In training	9	11%
NEET	29	37%
Total	79	100%

Compared to other young people

What young people are doing in terms of education, employment or training will depend partly on their age. Almost one third of the young people participating in YPLA are 16 or under, which may partly explain why a larger proportion are in education than in employment or training.

In 2006, 12.6% of young people in Scotland between the ages of 16 and 19 were NEET.¹ The young people participating in YPLA are therefore more than twice as likely to be NEET as the average young person in Scotland. Their lives are particularly chaotic: in 2006, two in five had recently left local authority care. Their chaotic lives put these young people at greater risk of becoming NEET and remaining NEET for a longer period of time.

Compared over time

Columba 1400 also collects data on what young people are doing after participating in YPLA. What participants are doing can therefore be compared over time. Although data is collected after 6 and 12 months, we use the 12 months data, arguing that a year is a more appropriate time period after which to measure impact on education, employment and training.

This section calculates what impact the leadership programme has in terms of education, employment and training.

Table 3: What young people are doing after YPLA

After	Before				
	In education	In employment	In training	NEET	TOTAL
In education	11	0	3	1	15
In employment	10	4	2	9	25
In training	10	0	3	6	19
NEET	6	0	1	13	20
TOTAL	37	4	9	29	79

Unfortunately, because of data availability, this comparison can be made for only 79 of the 167 young people who participated in YPLA in 2006. The analysis is therefore based on data for less than half of participants, which would be problematic if the young people with no data had worse outcomes. However, as there is no evidence for this, we assume that our findings from the available data would apply equally to those 88 young people for whom data is unavailable.

Table 3 compares what these 79 participants were doing after YPLA, by what they were doing before. For example, of the 37 people who were in education before the programme, 11 were still in education, 10 were in employment, 10 were in training and 6 were NEET after the programme.

Looking at the totals, it appears that impact could be calculated by comparing the total in a category before YPLA with the total in the category after. For example, 4 people are in employment before and 25 are in employment after YPLA. Does this mean that 21 people are in employment because of YPLA participation?

The right comparison?

Comparing what participants are doing over time is not the true impact of YPLA, as other factors may be contributing to these changes. In general, growing up changes a lot. For example, simply because those in school are another year older, some would have left school anyway. More specifically, with all that is going on in the lives of the young people participating, other factors—a new social worker, a period of homelessness—may affect decisions about what they are doing in terms of education, employment or training.

But what would they have been doing anyway?

To estimate the impact of YPLA, we need to know what the young people would have been doing a year later if they had not participated in YPLA. Given the impossibility of this, the next best alternative is to find an appropriate comparison.

This comparison should approximate as closely as possible what the group of young people participating in YPLA would have done had they not participated. To do this, we use data from the large-scale surveys of young people that formed part of the evaluation of the Education Maintenance Allowance (EMA) pilots. See Appendix 3 for more details on this dataset. The main advantage of this dataset is that a table similar to Table 3 can be created for comparison to the Columba 1400 data.

But how appropriate is it as a comparison for YPLA? For those who are in employment, for those who are in training and for those who are NEET before YPLA, the dataset is a good comparison. The young people in the EMA dataset are from poorer social-economic backgrounds, and so their chances of being in education, in employment, in training and NEET from each of these categories are probably similar to those participating in YPLA.

The dataset is not as good a comparison for those who are in education before YPLA. Because the purpose of the EMA pilot was to encourage young people to remain in education, the chance of being in education the following year is likely to be higher than it would have been otherwise. Even without this, some YPLA participants probably have a greater chance of leaving school. We argue that 16-year-old YPLA participants in education before the programme are at particular risk of being NEET a year later, given that many will be faced with the additional transition of leaving local authority care.*

In general, for those eligible for aftercare services, the risk of leaving education between ages 16 and 17 is very high. Using the 2006–2007 Scottish Children Looked After statistics, we calculate that of those in education at 16, only one third remain in education at 17. By age 17, only one in eight care leavers in Scotland is still in school.³ Again, see Appendix 3 for details on this dataset.

We use this to estimate what a 16-year-old YPLA participant in education would have been doing a year later. Estimates of what those in education who are not 16 would have been doing a year later are based on the EMA dataset.

What difference does YPLA make?

What young people are actually doing over time is compared to what they were expected to be doing if they had not participated. This is given in Table 4.

Table 4 contains a lot of information about what young people are doing because of YPLA participation. The first way to read it is to compare the 'actual' column to the 'expected' column. This indicates how what young people are actually doing after YPLA is different from what is expected, based on the comparison data.

For example, for those in education before YPLA, more people than expected are in employment and in training and fewer people than expected are in education and NEET. By design, the differences between actual

* Scottish law and policy strongly advise that young people should be encouraged and supported to stay in care until 18. But government statistics show that eight times as many young people leave care at 16 as leave at 18.¹⁴

Table 4: The impact of YPLA

	What they are doing after YPLA	Actual	Expected
37 young people in education before YPLA	In education	11	20
	In employment	10	3
	In training	10	5
	NEET	6	9
4 young people in employment before YPLA	In education	0	0
	In employment	4	2
	In training	0	1
	NEET	0	1
9 young people in training before YPLA	In education	3	0
	In employment	2	1
	In training	3	7
	NEET	1	1
29 young people NEET before YPLA	In education	1	2
	In employment	9	5
	In training	6	6
	NEET	13	16

and expected in education, in employment, in training and NEET sum to zero for each 'before' category.

The second way to read Table 4 is to add together the differences from the expected number for a particular 'after' category. The main conclusions are drawn from this.

Young people are not NEET

Seven fewer people than expected are NEET because of YPLA participation. This is from adding together the differences from the number expected to be NEET for each 'before' category. One fewer person than expected is NEET from education; three fewer people than expected are NEET from employment; and three fewer people than expected remain NEET.

Young people are in employment

What are these young people doing instead? Again, adding across the 'before' category boxes gives the overall impact of YPLA, summarised in Table 5.

This overall impact suggests that people are in employment rather than in education because of participation in YPLA.* Fewer people than

expected remain in education, and fewer people than expected return to education from being NEET. In contrast, more people than expected remain in employment, and more people than expected enter employment from being NEET.

Table 5: Overall impact

Overall, for all 79 people participating in YPLA in 2006, after the programme:
<ul style="list-style-type: none"> • Seven fewer people than expected are in education; • Fourteen more people than expected are in employment; • The expected number of people are in training; and • Seven fewer people than expected are NEET.

To summarise, of the 79 people for whom data is available both before and after the programme, seven people are in employment rather than NEET.† The next chapter develops a model that links employment as a young person to a variety of benefits, both now and in the future, and then values in financial terms some of those benefits.

* We acknowledge that this result is sensitive both to the data from Columba 1400 and to the comparison data used. The next section therefore concludes with a sensitivity analysis.

† For the SROI analysis, this and the previous chapter are summarised in an impact map, given in Appendix 4.



Photograph supplied by Columba 1400

The social return on investment

What young people are doing with their lives matters well beyond their twentieth birthdays. This chapter develops a model that links employment as a young person to a variety of benefits, both now and in the future, and then puts a financial value on some of these benefits.

To calculate the SROI ratio, the financial value of seven young people being in employment is then compared to the investment required to create this change. We estimate that in 2006 the social return on investment for every pound spent on YPLA is £2.50. The chapter concludes with a sensitivity analysis to test some of the main assumptions.

Valuing benefits

This chapter develops a model that links employment as a young person to a variety of benefits, both now and in the future, and then puts a financial value on some of these benefits. We do not calculate financial proxies for all the benefits identified as being linked to employment as a young person. Only those benefits that can be confidently attributed to a young person being employed rather than unemployed are assigned financial proxies.

All the young people are assumed to be age 17 in 2006 to simplify calculations into the future.* This and all assumptions made, as well as being clearly stated in the text, are collected together in Appendix 3. The data used to calculate the financial proxies is also given in Appendix 3.

Employment is beneficial now

The most obvious benefit to employment is earning a wage. A financial proxy is readily calculated for this benefit, using data on the average wage of a young person in Scotland.

A young person being employed has wider benefits than just the wage earned, however. Having a job is generally associated with better health and well-being.¹⁵ Young people who are NEET are more likely to drink alcohol, smoke and take illegal drugs.¹⁶ They are also more

likely to be involved in crime; two thirds of young people are unemployed when they are arrested.² The majority of young people who are homeless are NEET.¹⁶

Financial proxies are not as readily calculated for these benefits. Although there is evidence for associations between employment and these wider benefits, proving a causal link is more difficult. For example, we do not know to what extent a young person being employed reduces that person's chance of committing a crime.

Financial proxy for earning a wage

In 2006, the median annual wage for a 17 year old in Scotland was £4,789 for men and £3,208 for women. This is from the Annual Survey of Hours and Earnings (ASHE) in Scotland, which contains data on average earnings.¹⁷

Using this as a financial proxy assumes that the young people earn the average wage for a 17 year old in Scotland. It also assumes that they earn this wage for a year. Although assuming that jobs are sustained for a year is a common assumption, it would be interesting to see whether those who participate in YPLA keep their jobs for more or less than a year.^{18, 19} If it is for more than a year on average, then our assumption is conservative.

As this wage is a gross wage, it is the financial benefit to society of a young person earning a wage.[†] To calculate the benefit only to the individual, the loss of benefits such as Jobseeker's Allowance, and the gain in taxes that come from moving from unemployment to employment, must be subtracted. However, the financial benefit to society is used in the overall SROI ratio.

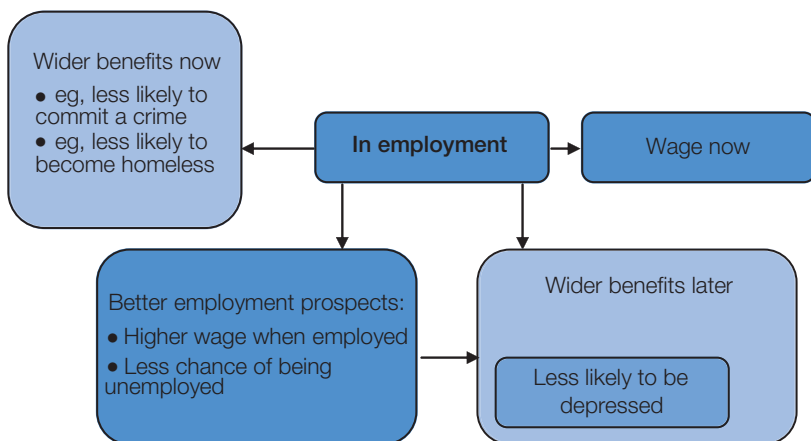
Employment is beneficial in the future

Someone having a job between the ages of 16 and 19 is important for future employment prospects. A long time spent unemployed as a young person inflicts a 'scar' on his or her earnings profile that may last for many

* The most common age of young people participating in YPLA in 2006 was 17.

† The loss to the individual and the gain to the state in taxes and benefits cancel each other out at the society level.

Figure 2: Benefits to employment



decades.² This scar results from a combination of two factors:

- a lower wage when employed;²⁰ and
- a greater chance of being unemployed.²¹

This combination means that a young person who is long-term unemployed will earn substantially less over a lifetime. Importantly, this is independent of other factors, such as educational attainment, that also affect future employment prospects.

The young person having better employment prospects can also be readily valued in financial terms using data on average earnings at different ages and estimates of the wage scar at different ages.

Again, there are wider benefits in the future to someone being employed as a young person. These benefits may result from earning more as an adult; for example, a larger income is generally linked with better health.¹⁵ They may result from being unemployed less as an adult; for example, the links between unemployment and crime persist into adulthood. These benefits may also result directly from being employed as a young person.² These different links are shown in Figure 2, which gives the employment model.

Again, financial proxies are less readily calculated for these wider benefits, for the same reason as before. However, there is some evidence for the effect of someone being NEET on his or her chance of depression in the future, independent of other factors that also may affect the chance of being depressed. A financial proxy is therefore calculated to estimate the savings to the National Health Service (NHS) of fewer people being depressed. Unfortunately, the value to the individual of not being depressed is not valued in financial terms.

Financial proxy for better employment prospects

Estimates of the wage scar come from the National Child Development Survey (NCDS).²¹ The NCDS is a large, longitudinal survey of all individuals born in the same week in March 1958. Its main advantage is the wage scar can be estimated independent of the many other factors that may also influence employment prospects. The disadvantage is that as the individuals were born in 1958, they experienced a different education system and a different labour market in their twenties than the young people participating in YPLA in 2006.

Using the NCDS data, Gregg [2001] and Gregg and Tominey [2004] conclude that the size of the wage scar depends on the amount of time spent in unemployment as a young person. We decided to compare the earnings profile of someone who is long-term unemployed with someone who is never unemployed as a young person. This is a strong assumption about how being in employment alters the earnings profile of the young people participating in YPLA. It is therefore tested in the sensitivity analysis at the end of the chapter.

Higher wage when employed

Someone who is employed as a young person can expect to earn a higher wage when employed as an adult. This is controlling for other factors that may also affect wages, such as socio-economic background and educational attainment.

Table 6 gives some idea of how big a difference unemployment as a young person makes to the wage that men and women can expect to earn at different ages. This is taken from Gregg and Tominey [2004], who use data from the NCDS to analyse the impact of youth unemployment on the wage of individuals up to twenty years later.²⁰ Further details are given in Appendix 3.

Table 6: Being unemployed as a young person reduces the wage when employed

	Age 23	Age 33	Age 42
Men	23.2%	23.1%	15.4%
Women	19.2%	16.6%	11.6%

A young man who is long-term unemployed can expect to earn 23.2% less at age 23 than a similar young man who was never unemployed. The table indicates that a difference in earnings persists until at least age 42, and that the reduction in earnings is greater at all ages for men than for women.

Table 7: The loss of earnings because of being unemployed as a young person

Age	23	24	25	26	27	28	29	30	31	32	33	Total
Men	£5,553	£5,525	£5,496	£5,468	£5,440	£5,412	£5,385	£7,427	£7,389	£7,351	£7,313	£67,761
Women	£3,353	£3,297	£3,243	£3,189	£3,135	£3,082	£3,029	£3,120	£3,066	£3,012	£2,958	£34,485

Less chance of being unemployed

Someone who is employed as a young person can expect to be unemployed less as an adult. Again, this is controlling for factors that may predispose someone to unemployment, both as a young person and as an adult.

Gregg [2001] finds that between the ages of 28 and 33, someone who has not been unemployed as a young person will, on average, be unemployed for a month. This expected month of unemployment is for both men and women. On average, a man who is unemployed as a young person will be unemployed for an additional seven months from age 28 to 33. The equivalent figure for a woman is an additional two months of unemployment. Further details are given in Appendix 3.

A better earnings profile later

Using these estimates and data on average earnings, again taken from the Annual Survey of Hours and Earnings (ASHE) for Scotland, earnings profiles between ages 23 and 33 can be created for someone who has been long-term unemployed as a young person and for someone who has never been unemployed as a young person.

Table 7 gives the difference between these two earnings profiles. Real wage inflation and net present value have both been taken into account.^{22,23} Growth in wages above inflation is assumed to be 3%.⁷ The discount rate used to calculate net present value is the Treasury's recommended discount rate of 3.5%.⁵

A man who is employed as a young person can expect to earn £5,412 more at age 28 than one who is unemployed as a young person. The equivalent figure for women is £3,082.

Again, these figures are gross wages, which proxy the net benefit to society. As a rough estimate, 31% of this value is to the state and 69% to the individual.*

Financial proxy for less chance of depression later

Unemployment as a young person is linked to an increased risk of being depressed later in life. Data from the 1970 British Cohort Study

(BCS70) shows that whether or not a person was unemployed between the ages of 16 and 18 is an independent predictor of depression at 21.² BCS70 is similar to the National Child Development Survey in that it collects socio-economic data on all the individuals born in the same week, this time in April 1970.

Table 8 gives the chances of being depressed age 21 based on whether the person was unemployed as a young person. These estimates control for other factors that may influence the chance of depression. Both groups consist of people who left school at 16.

Table 8: Being unemployed as a young person increases the chance of depression later²

	Employed as young person	Unemployed as young person
Men	10%	25%
Women	25%	35%

For example, a man who leaves school at 16 and gets a job has a one in ten chance of being depressed at 21. A man who is otherwise the same but does not get a job has a one in four chance of depression. The differential incidence of depression is therefore 15% for men. For women, the chance of depression is higher for both groups, but the difference between them is lower.

The BCS70 data only allows for a comparison of chances of depression for these different groups at 21. We therefore assume that the increased risk of depression persists until 33.

The emotional benefit to the individual of not having depression is not readily valued, but the savings to the NHS are. We assume that the young people who attend the Columba 1400 programmes are like the rest of the population in terms of their contact with healthcare services.

A recent King's Fund review put the average cost to the NHS of treating someone with depression, deflated to 2006 prices, at £2,026.²⁴ We assume that the cost to the NHS of treating someone with depression remains the same as the young people participating in YPLA grow up.

* This is based on the current basic rate of tax of 20% and National Insurance contributions of 11%. It makes the strong assumption that these rates will not change and does not account for benefits. It is therefore a rough estimate only.

Between the ages of 21 and 33, the savings to the NHS of someone not being depressed are £18,827, accounting for net present value. Accounting for the reduced risk of being depressed in early adulthood because of being employed as a young person, £2,824 is saved by the NHS for every young man in employment because of YPLA. The equivalent figure for women is £1,883.

Adding up the financial benefits

Table 9 summarises the financial proxies we have calculated. Seven people are in employment because of YPLA participation. Given we only use data on 79 participants, calculating the impact separately for men and women is too sensitive. We decided to divide the impact on employment using the male-female ratio for YPLA participants.* We estimate four men and three women are in employment because of YPLA. The weighted average for the value of a young person being in employment is given in the last column of Table 9.

Calculating costs

The investment required for seven young people to be in employment is not just the cost of these people participating in YPLA. From Chapter 2, we know that 79 young people participate in YPLA for this impact on employment to be achieved. Added to this are the estimated 23 support staff who must also participate for 79 young people to participate.†

In 2006, the cost of one person participating in YPLA is £1,665.67. See Appendix 3 for how this is calculated. The cost of 102 people participating in YPLA is therefore £169,898.

The return on investment

The SROI ratio is the net present value of the benefits to the net present value of the investment:

$$[\text{SROI}] = \frac{[\text{Net present value of benefits}]}{[\text{Net present value of investment}]}$$

The numbers required to calculate the SROI ratio are summarised in Table 10.

The SROI ratio for YPLA in 2006 is therefore 2.5:1. For every pound invested in YPLA, £2.50 of value is created for society. This value is in terms of young people earning a wage now; having improved employment prospects and having less chance of depression in the future.

Is an SROI ratio of 2.5:1 ‘good’? Firstly, it is greater than one. It is also comparable to a FTSE 100 investment over the same length of time. Unfortunately, comparisons with other social programmes are harder to make.

Secondly, the majority of the benefits are not immediately realised, but when they are, they are huge. This makes sense, given that the investment is in young people. The financial value of better employment prospects only enters the model in 2012‡ but after that the initial investment is paid back within three years.

Table 9: Financial benefits to a young person being employed§

	Male	Female	Young person participating in YPLA
The young person has a job	£4,789	£3,208	£4,111
The young person has better employment prospects	£67,761	£34,485	£53,500
The young person has less chance of depression later	£2,824	£1,883	£2,421
TOTAL	£75,374	£39,576	£60,032

* For every four young men who participate in YPLA, three young women participate.

† In 2006, YPLA had 173 young people participant places and 51 support staff and teacher participant places. We therefore calculate a ratio of 3.4 young people to every support staff.

‡ As we are assuming that the young people are 17 in 2006, they are 23 in 2012, which is the age from which we have estimates of the wage scar.

§ All prices are 2006 prices.

Table 10: The social return on investment

	Amount
Net present value of benefits	£420,224
Net present value of investment	£169,898

Thirdly, to break even, only one in twenty-eight young people must be in employment because of YPLA. This again highlights the value of investing in young people, particularly in helping them to have improved employment prospects. But it may be looked at in an alternative way: as long as one young person in every three leadership academies is in employment because of YPLA, then the cost of the programme is covered by the benefits generated for society.*

Finally, as has been emphasised throughout this report, the SROI ratio only gives an indication of the value created for two stakeholder groups—the young people participating and the state—and even for these groups, the full value of YPLA is not expressed in financial terms.

Sensitivity analysis

The SROI ratio is only as good as the assumptions made in its calculation. We therefore test how sensitive the SROI ratio is to changes in some of the main assumptions.

What if more young people were in employment?

Chapter 2 finds that seven people are not NEET and are instead in employment through participating in YPLA. However, as acknowledged at the end of Chapter 2, the impact of YPLA may be underestimated.

Unfortunately, we did not develop the education and training models in any quantitative way, and so cannot test what effect finding a positive impact here would have on the SROI ratio. But we can test what effect increasing the impact on employment has. Suppose we assume that the impact is the difference between the number who are NEET before YPLA and the number who are NEET after YPLA—ie, nine people. The SROI ratio increases to 3.2:1 if nine people are assumed to be in employment through participating in YPLA.

What if employment prospects did not improve as much?

An important assumption of the model is that the young people in employment no longer have the earnings profile of someone who is long-term unemployed as a young person but instead have the earnings profile of someone who is never unemployed as a young person.

This is a strong assumption, given that some young people participating in YPLA will already have an unemployment history. Moreover, being in employment a year after YPLA does not guarantee being in employment for any period of time beyond that. Young people sustaining employment in low-paid, low-skilled jobs is of concern, and is the reason that education and training are often preferred over employment.⁹

Suppose instead of assuming an earnings profile of someone who is never unemployed, we assume an earnings profile of someone who is short-term unemployed as a young person—ie, is unemployed for a month or two from age 16 to 23. With this assumption, the SROI ratio drops to 2.2:1.

What if benefits were only valued over a shorter time period?

The model includes the benefits of a young person being employed in terms of better employment prospects and less chance of being depressed until the person is age 33. We justify this in the model by arguing that what someone does as a young person has such a long-lasting effect that considering these ramifications up until 33 is not unreasonable.

However, to test this assumption, we include only those benefits up until the age of 27, or a five-year period for the benefits of better employment prospects in the future. As expected, this reduces the SROI quite significantly, to 1.2:1.

The sensitivity analysis indicates that, although the SROI ratio does change when some of the important assumptions are varied, the return on investment is still greater than one in all cases. The SROI ratio is very sensitive to the number of people in employment, again highlighting the huge benefits in terms of improved employment prospects.

* On average, nine young people participate in each leadership academy.



Photograph supplied by Columbia 1400

Conclusions and recommendations

We estimate that the social return on investment for every pound spent on the Young People's Leadership Academy (YPLA) is £2.50. Looking only at young people in employment because of YPLA, and then valuing only some of the benefits, the return is greater than one.

In these conclusions and recommendations, we discuss the huge value to be gained from investing in young people. We also make some recommendations about what could be measured to capture more fully the value of Columba 1400's work.

Investing in young people

The social return on investment calculated in this report indicates the huge value to be gained from investing in young people. One of the most striking findings is the advantage of someone being employed as a young person, compared to being unemployed at the same age.

A young person may see a first job as not mattering for much, besides the money earned, but the analysis shows that employment as a young person may be the first step up the career ladder. That first job may be the critical line on the CV of someone who would otherwise have a blank space after leaving school at sixteen. Given that YPLA is working with young people from particularly tough backgrounds, helping them to benefit from some of the advantages of being in employment as a young person is all the more important.

But the value is not just to the young person, but also to society. Our analysis shows that investing in young people now pays off for society in the future. And this is just from valuing some of the benefits.

Investing in measurement

Young people being in employment, while important, is not the only way Columba 1400 hopes to create value.

While undertaking this SROI analysis, we identified several ways in which Columba 1400 hopes to create change, but struggles to

measure the impact of its work. NPC believes that charities should measure what matters to them. This will allow them to learn about new ways to do things; learn about how to improve what they are already doing; and share the results of their work.

Knowing what changes for young people

The young people participating in YPLA are from particularly tough backgrounds. Having good, systematically recorded information about what the young people's needs are before they participate in the programme would help Columba 1400 to understand the people with whom it is working better, and perhaps even tailor the programme accordingly.

Good information about the backgrounds of those participating would also help Columba 1400 to define success for these young people. What 'fulfilling potential' means for a particular young person depends hugely on the barriers to be overcome. Success for one young person may not be success for another. For example, someone who is homeless after leaving care has very different barriers to employment than someone who is alternating between temporary jobs and unemployment.

Columba 1400 has a wealth of powerful stories of what has changed for young people after participating in YPLA. Again, recording systematically what has changed would help Columba 1400 to strengthen these stories and communicate the change implicit in them even more powerfully. Measuring what a young person is doing in terms of education, employment or training, both before and after YPLA, is one indicator of change, but it may not be relevant to all.

The most frequently cited change is an improvement in confidence after participating in YPLA. NPC is currently developing a questionnaire to measure the well-being of young people aged 11–16.²⁵ Systematically measuring well-being could be a good way for Columba 1400 to understand and communicate the results of its work.

Knowing what changes for the community

Columba 1400 hopes to achieve change at the community level. NPC knows that measuring impact on the community is complex, and that good frameworks for doing so are few and far between.

However, we also know that one of the best ways to understand what difference an organisation makes to a community is to ask those in the community. This is akin to the SROI principle of asking different stakeholder groups what value an organisation creates for them. From these conversations, Columba 1400 could identify some appropriate indicators of community change to track over time.

Valuing in financial terms?

Whether or not Columba 1400 then decides to value this change in financial terms is an open question. Doing so would allow this value to be included in any future SROI analysis, which would serve as an interesting comparison to

this analysis. We recognise, however, that it may be difficult to calculate appropriate financial proxies for some changes.

More than a number

Katy's story introduced this report. Through the analysis, we can now put some value on someone like Katy participating in YPLA. We are not claiming that her story, or those of the other young people who participate, can be communicated only through a number. Or that all the change for all those groups to which YPLA makes a difference is captured in this number.

This report attempts to strengthen the individual stories by showing that Columba 1400 has an overall positive impact on the young people who participate in YPLA, as well as making the case that we all benefit from Columba 1400's work. Though these benefits are expressed in financial terms, they are also experienced first hand through living in a healthier, more prosperous society.



Photograph supplied by Columba 1400

Appendices

Appendix 1: History of Columba 1400

Columba 1400 was founded in 1997. The leadership centre on the Isle of Skye opened three years later in 2000.

The first leadership academy in 2000 was the European-funded WOW (What Other Way) Academy, which aimed to get participants into employment. The Young People's Leadership Academy (YPLA) has its origins in this academy, but has evolved considerably since then.

For example, from 2004–2006, YPLA focused on young people leaving care. As part of its care-leavers strategy, the then Scottish Executive funded a three-year pilot project to see whether YPLA was beneficial for those leaving care. The Scottish Executive had a 2007 target to ensure that at least half of those leaving care were studying or working.

The first Ambassadors' Leadership Academy (ALA) was in 2001. From 2005–2007, as part of the *Ambitious, Excellent Schools* strategy, Columba 1400 ran 22 leadership academies for 'schools of ambition', schools identified by the Scottish Executive as being most in need of transformation, or with clear goals for transformation.

The first Head Teacher Leadership Academy (HTLA) was in 2003 and the first Coracle Programme in 2006, although the Coracle Programme evolved out of an earlier programme started in 2002.

In 2006, Columba 1400 began a period of expansion. An extension to the centre on Skye was officially opened in summer 2008. From 2010, a second site at Loch Lomond will be made available to Columba 1400.

Appendix 2: SROI principles

An important principle of SROI analysis is to understand the way in which an organisation creates change through a dialogue with stakeholders.

Stakeholder engagement

NPC visited Columba 1400 on the Isle of Skye in March 2008. We saw two days of an Ambassadors' Leadership Academy (ALA) and spoke informally to participants and Centre staff. We also spoke more formally in person to:

- Nicola Richards, Chief Executive;
- Stevie Siegerson, Centre Leader;
- Anne Wexelstein, Programme Director; and
- Jackie Gillies, Centre Coordinator.

During our analysis we also spoke on the phone to:

- Charlotte McClintock, ICT Coordinator;
- Jonathan Long, Programme Director; and
- Shaun Gillanders, Finance Consultant.

We also reviewed the following documents:

- the 2006 Annual Report;
- the Trustees' Handbook;
- the Staff Handbook;
- *Code for Life: The evaluation of Columba 1400's Ambassadors' Leadership Academy in schools programme;*

- *Columba 1400 Leadership Academies for Care Leavers Evaluation Summary Report*;
- *Evaluation of the Columba 1400 Care Leaver Programme: Final Report*; and
- various promotional materials.

The following table gives an indication of what the stakeholder objectives listed in Table 1 are based on:

Stakeholder group	Objectives based on
Those participating in YPLA	Informal conversations; sticky notes about what they want from the programme; and Columba 1400's perceptions
Those who are connected in some way to participants	Columba 1400's perceptions
Donors and funders, including more specifically the government	Funding applications and Columba 1400's perceptions
Columba 1400 staff	Conversations with staff
The local community on the Isle of Skye	Columba 1400's perceptions

Comparison with what would have happened anyway

Another principle of SROI analysis is to compare outcomes with what would have happened anyway to get a more accurate estimate of impact. Our comparison approach differs from that of SROI UK and the new economics foundation (nef), but the principle is the same. Both attempt to discover what results would have been achieved in the absence of the programme. More technically, we assume that our comparison data accounts for both attribution and deadweight.

Appendix 3: Data sources and assumptions

Data is taken from various sources. All calculations made using this data, not made in the main text, are available on request.

Young People's Leadership Academy (YPLA) data

In 2006, 167 young people participated in YPLA. Six of these young people participated in two academies, and so there were actually 173 participant places that year. More young men than women participated:

	Number	Percentage
Male	33	42%
Female	46	58%
TOTAL	79	100%

In general, boys have a greater chance of being NEET than girls. In 2006, 14.0% of young men aged 16 to 19 were NEET, compared to 10.0% of young women in the same age group.¹

Most young people participating in YPLA are aged 16 to 19:

	Number	Percentage
15 and under	6	8%
16	16	22%
17	20	28%
18	10	14%
19	9	13%
20 and over	11	15%
TOTAL	72*	100%

* No age data for seven participants.

Comparison data

Two datasets are used to establish what young people participating in YPLA would have done if they had not participated in the programme.

	Reference	Description	Data																																																																																		
1	Rennison, J., Macguire, S. and Ashworth, K. (2005) <i>Young People not in Education, Employment or Training: Evidence from the Education Maintenance Allowance Pilots Database</i> . Centre for Research in Social Policy.	<p>Large-scale survey of young people that formed part of the evaluation of the Education Maintenance Allowance (EMA) pilots.</p> <p>The EMA is given to young people age 16–18 in the UK to encourage them to remain in education. To qualify, an individual must be studying for an academic or vocational qualification, and have a household income below a certain level.²⁶</p> <p>Before being rolled out nationally, this scheme was piloted in ten Local Education Authorities in England. Data was collected about the same group of young people at several different points in time. From this pilot, there is good data on what happens during the second year to young people who are, for example, in education during the first year. The data is relatively unusual, given the general lack of evidence of the circumstances of young people after the school-leaving age.</p>	<p>Table B2.3: Destination at 18 for young people in education, work or training at 17 and Table B3.8: Destination at age 18 of young people NEET at age 17</p> <table border="1"> <thead> <tr> <th colspan="5">Destination at 17</th> </tr> <tr> <th>Destination at 18</th> <th>Education</th> <th>Employment</th> <th>Training</th> <th>NEET</th> </tr> </thead> <tbody> <tr> <td>Education</td> <td>61.9%</td> <td>4.4%</td> <td>3.8%</td> <td>5.3%</td> </tr> <tr> <td>Employment</td> <td>12.4%</td> <td>53.9%</td> <td>10.1%</td> <td>17.0%</td> </tr> <tr> <td>Training</td> <td>17.5%</td> <td>22.9%</td> <td>74.3%</td> <td>21.6%</td> </tr> <tr> <td>NEET</td> <td>8.2%</td> <td>18.8%</td> <td>11.8%</td> <td>56.2%</td> </tr> <tr> <td>TOTAL</td> <td>100.0%</td> <td>100.0%</td> <td>100.0%</td> <td>100.1%</td> </tr> </tbody> </table>	Destination at 17					Destination at 18	Education	Employment	Training	NEET	Education	61.9%	4.4%	3.8%	5.3%	Employment	12.4%	53.9%	10.1%	17.0%	Training	17.5%	22.9%	74.3%	21.6%	NEET	8.2%	18.8%	11.8%	56.2%	TOTAL	100.0%	100.0%	100.0%	100.1%																																															
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2	Scottish Government (2007) <i>Children Looked After Statistics 2006-07</i> .	<p>Annual publication containing statistics on children who were looked after or eligible for aftercare support from local authorities between 1st April 2006 and 31st March 2007.</p> <p>Around 3,400 young people were reported to be eligible for aftercare services on 31st March 2007. However, two local authorities did not provide any data and a further two provided incomplete data.</p> <p>Twelve percent of young people reported to be eligible for aftercare services were no longer in touch with the local authority on 31st March 2007, and the economic activity of a further 23 per cent was not known.</p> <p>Cells containing * represent numbers that are suppressed to maintain confidentiality.</p>	<p>Table 1.25: Young people eligible for aftercare services on 31 March 2007, by age and economic activity</p> <table border="1"> <thead> <tr> <th rowspan="2">Economic activity on 31 March 2007</th> <th colspan="4">Age on 31 March 2007</th> <th rowspan="2">Total</th> </tr> <tr> <th>15-16</th> <th>17</th> <th>18</th> <th>19-21</th> </tr> </thead> <tbody> <tr> <td colspan="6">In education, training or employment</td> </tr> <tr> <td>In higher education</td> <td>17</td> <td>21</td> <td>31</td> <td>42</td> <td>111</td> </tr> <tr> <td>In education other than HE</td> <td>119</td> <td>53</td> <td>44</td> <td>31</td> <td>247</td> </tr> <tr> <td>In training or employment</td> <td>82</td> <td>109</td> <td>152</td> <td>154</td> <td>497</td> </tr> <tr> <td colspan="6">Not in education, training or employment</td> </tr> <tr> <td>Due to short term illness</td> <td>0</td> <td>*</td> <td>*</td> <td>26</td> <td>34</td> </tr> <tr> <td>Due to long term illness or disability</td> <td>2</td> <td>*</td> <td>*</td> <td>55</td> <td>88</td> </tr> <tr> <td>Due to looking after family</td> <td>4</td> <td>39</td> <td>44</td> <td>57</td> <td>144</td> </tr> <tr> <td>Due to other circumstances</td> <td>178</td> <td>337</td> <td>308</td> <td>284</td> <td>1107</td> </tr> <tr> <td>Don't know economic activity</td> <td>203</td> <td>134</td> <td>217</td> <td>240</td> <td>794</td> </tr> <tr> <td>No longer in touch</td> <td>63</td> <td>88</td> <td>100</td> <td>143</td> <td>394</td> </tr> <tr> <td>Total</td> <td>668</td> <td>799</td> <td>917</td> <td>1032</td> <td>3416</td> </tr> </tbody> </table>	Economic activity on 31 March 2007	Age on 31 March 2007				Total	15-16	17	18	19-21	In education, training or employment						In higher education	17	21	31	42	111	In education other than HE	119	53	44	31	247	In training or employment	82	109	152	154	497	Not in education, training or employment						Due to short term illness	0	*	*	26	34	Due to long term illness or disability	2	*	*	55	88	Due to looking after family	4	39	44	57	144	Due to other circumstances	178	337	308	284	1107	Don't know economic activity	203	134	217	240	794	No longer in touch	63	88	100	143	394	Total	668	799	917	1032	3416
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Data used to calculate financial proxies

	Reference	Description	Data																																																
1	2006 Annual Survey of Hours and Earnings	Survey containing UK data on earnings for employees. This data is for Scotland only.	<p>Median gross weekly pay by sex and age-group:</p> <p>MEN</p> <table> <tr><td>All employees</td><td>453.6</td></tr> <tr><td>16–17</td><td>92.1</td></tr> <tr><td>18–21</td><td>216.8</td></tr> <tr><td>22–29</td><td>367.2</td></tr> <tr><td>30–39</td><td>509.1</td></tr> <tr><td>40–49</td><td>541.9</td></tr> <tr><td>50–59</td><td>492.8</td></tr> <tr><td>60+</td><td>360.1</td></tr> </table> <p>WOMEN</p> <table> <tr><td>All employees</td><td>278.6</td></tr> <tr><td>16–17</td><td>61.7</td></tr> <tr><td>18–21</td><td>165.0</td></tr> <tr><td>22–29</td><td>310.8</td></tr> <tr><td>30–39</td><td>325.8</td></tr> <tr><td>40–49</td><td>294.4</td></tr> <tr><td>50–59</td><td>279.0</td></tr> <tr><td>60+</td><td>166.8</td></tr> </table>	All employees	453.6	16–17	92.1	18–21	216.8	22–29	367.2	30–39	509.1	40–49	541.9	50–59	492.8	60+	360.1	All employees	278.6	16–17	61.7	18–21	165.0	22–29	310.8	30–39	325.8	40–49	294.4	50–59	279.0	60+	166.8																
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2	Gregg, P. and Tominey, E. (2004) <i>The Wage Scar from Youth Unemployment</i> .	<p>Study that uses data from the National Child Development Survey (NCDS) to analyse the impact of youth unemployment on the wage of individuals up to twenty years later.</p> <p>The NCDS is a longitudinal birth cohort panel dataset. The NCDS children were those born in the week 3–9 March 1958 living in Great Britain. It follows them through childhood into early adulthood and collects data on health, education and other socio-economic information.</p> <p>The sample is limited to individuals with an employment history lasting more than 24 months between ages 16 and 23. This means that individuals pursuing further education into their twenties are not included.</p> <p>The main advantage of the dataset is that other characteristics, such as educational achievement and region of residence, that may also affect employment prospects can be included in the wage equation.</p> <p>The main disadvantage is that the individuals in the NCDS were born in 1958, and so experienced very different education systems and early labour market conditions to the young people participating in YPLA in 2006.</p>	<p>Estimates of the wage scar on wages when employed, using the model controlling for the most other factors:</p> <p>MEN</p> <table> <thead> <tr> <th>Youth unemployment</th> <th>Age 23</th> <th>Age 33</th> <th>Age 42</th> </tr> </thead> <tbody> <tr><td>1–2 months</td><td>1.6%</td><td>2.6%</td><td>3.9%</td></tr> <tr><td>3–4 months</td><td>4.2%</td><td>9.0%</td><td>5.1%</td></tr> <tr><td>5–6 months</td><td>10.5%</td><td>10.6%</td><td>0.6%</td></tr> <tr><td>7–12 months</td><td>10.0%</td><td>15.4%</td><td>11.8%</td></tr> <tr><td>13+ months</td><td>23.2%</td><td>23.1%</td><td>15.4%</td></tr> </tbody> </table> <p>WOMEN</p> <table> <thead> <tr> <th>Youth unemployment</th> <th>Age 23</th> <th>Age 33</th> <th>Age 42</th> </tr> </thead> <tbody> <tr><td>1–2 months</td><td>3.6%</td><td>3.1%</td><td>4.0%</td></tr> <tr><td>3–4 months</td><td>11.6%</td><td>8.3%</td><td>2.7%</td></tr> <tr><td>5–6 months</td><td>12.7%</td><td>6.0%</td><td>1.8%</td></tr> <tr><td>7–12 months</td><td>12.5%</td><td>7.7%</td><td>6.3%</td></tr> <tr><td>13+ months</td><td>19.2%</td><td>16.6%</td><td>11.6%</td></tr> </tbody> </table>	Youth unemployment	Age 23	Age 33	Age 42	1–2 months	1.6%	2.6%	3.9%	3–4 months	4.2%	9.0%	5.1%	5–6 months	10.5%	10.6%	0.6%	7–12 months	10.0%	15.4%	11.8%	13+ months	23.2%	23.1%	15.4%	Youth unemployment	Age 23	Age 33	Age 42	1–2 months	3.6%	3.1%	4.0%	3–4 months	11.6%	8.3%	2.7%	5–6 months	12.7%	6.0%	1.8%	7–12 months	12.5%	7.7%	6.3%	13+ months	19.2%	16.6%	11.6%
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Columba 1400 unit cost

Unit cost is calculated by dividing the total cost of Columba 1400 by the total number of participants. Depreciation is included in total cost because it is part of the cost of delivering Columba 1400's programmes.

	Amount
Total unrestricted expenditure	£732,992
Total depreciation	£41,543
Total number of participants	465
Unit cost of YPLA	£1,665.67

Assumptions

To value in financial terms the benefits of a young person being in employment, we make the following assumptions:

- The young person is age 17;
- The young person has a job paying the median wage in Scotland for his or her age;
- The young person sustains employment for a year;
- The young person no longer has the earnings profile of someone who was long-term unemployed as a young person but instead has the earnings profile of someone who is never unemployed as a young person;
- People depressed age 21 remain depressed until age 33;
- People have average contact with services; and
- Cost to the NHS of treating someone with depression remains the same.

Appendix 4

Stakeholder	Inputs	Outputs	Description	Indicator	Outcomes		Impact	
					Quantity	Comparison		
Young people in education (37)	Time and energy	Skills and values learned through leadership academy	What they are doing in terms of education, employment or training	Number who are in education, in employment, in training and NEET after YPLA	In education	In education	In education	-9
					In employment	In employment	In employment	+7
					In training	In training	In training	+5
					NEET	NEET	NEET	-3
Young people in employment (4)	Time and energy	Skills and values learned through leadership academy	What they are doing in terms of education, employment or training	Number who are in education, in employment, in training and NEET after YPLA	In education	In education	In education	0
					In employment	In employment	In employment	+2
					In training	In training	In training	-1
					NEET	NEET	NEET	-1
Young people in training (9)	Time and energy	Skills and values learned through leadership academy	What they are doing in terms of education, employment or training	Number who are in education, in employment, in training and NEET after YPLA	In education	In education	In education	+3
					In employment	In employment	In employment	+1
					In training	In training	In training	-4
					NEET	NEET	NEET	0
Young people NEET (29)	Time and energy	Skills and values learned through leadership academy	What they are doing in terms of education, employment or training	Number who are in education, in employment, in training and NEET after YPLA	In education	In education	In education	-1
					In employment	In employment	In employment	+4
					In training	In training	In training	0
					NEET	NEET	NEET	-3
The state	Money	Number of young people who learn skills and values through leadership academies	What young people are doing in terms of education, employment and training	Number who are in education, in employment, in training and NEET after YPLA	In education	In education	In education	-7
					In employment	In employment	In employment	+14
					In training	In training	In training	0
					NEET	NEET	NEET	+7

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Jonathan Long	Columba 1400
Nicola Richards	Columba 1400
Shaun Gillanders	Columba 1400
Stevie Siegerson	Columba 1400

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Jeremy Nicholls	SROI UK
Nicola Richards	Columba 1400

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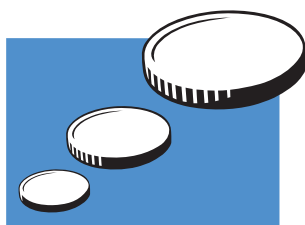
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Using this research it advises clients and their trusted advisors, and helps them think through issues such as:

- Where is my support most needed, and what results could it achieve?
- Which organisation could make the best use of my money?
- What is the best way to support these organisations?

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