Social Return on Investment Evaluation Report

Real-Improvement

Final Report
October 2013

Network for Change:
Social Return on Investment Evaluation Report

Contents

The Impact Map is a separate document in MS Excel associated with this report.

Foreword from Gabby Briner

Network for Change is 25 years old this year! Over the years we have commissioned independent academic evaluations as well as undertaking regular internal reviews of working practices, and applied for various quality evaluations and awards of recognition. These have been very favourable, helping us to secure funding to sustain, develop and diversify the range of services we can offer. Throughout we have been committed to working to our person centred and recovery values with those with more severe and complex mental health needs. We have won national and regional awards for our good practice, secured the Investors in People award praising the high level of dedication and skills of our staff, and attained an 'A' rating from the City Council for the quality of our housing-related support service.

In the current commissioning environment we felt it was important to undertake this SROI review to highlight the real value of our service. Whilst 'Best Value' and compact guidance have emerged in recognition of the benefits and results of voluntary and community sector organisations like Network, a full Social Return on Investment evaluation offers a more comprehensive analysis of the impact and cost-effectiveness of our organisation's work. This can further 'strengthen our arm' in the competitive tendering market place where smaller local providers often struggle to make their case. In addition to contracts, Network is increasingly reliant on income via Personal Budgets, currently for social care and shortly for health too (DH 2010). 'Putting People First' heralded a radical reform in the way services are delivered, giving individuals their own budgets and greater choice and control over the support and care they receive. Network needs to also ensure we secure a good business via personal budget income and is committed to this end by continuing to provide a specialist service which caters for higher levels of need. A steady stream of charitable grant income helps to complement and sustain us financially, and also allows development of new and innovative areas of work to meet gaps in services for our client group.

We hope this report will provide useful evidence to convince commissioners, service users who wish to purchase our service and other grant and income sources, that we are well worth funding! Mental health continues to be neglected despite the government's current working mental health strategy. 'No Health without Mental Health' (DH 2011) shows a powerful case for prioritising mental health equally with physical health needs, and that it costs both the economy a great deal in lost revenue and individuals undue suffering and loss of opportunity and prospects in life. Network for Change has the passion and determination to continue to deliver the best quality mental health services and we hope this SROI evaluation will provide yet further evidence, relevant to the current challenging economic climate, of the real value and worth of the work we do.

Gabby Briner
(CEO, Network for Change)

Executive Summary

Background

This report presents the findings of a Social Return on Investment (SROI) evaluation of Network for Change (NFC), a voluntary sector organisation based in Leicester. It was commissioned by NFC in early 2013 to increase its understanding and effectiveness, and to provide evidence for commissioners and other funding organisations in the future. The report covers the 12 months from April 2012 to March 2013, and has been prepared by Andy Bagley of Real-Improvement. Andy is an Accredited Practitioner with the SROI Network.

NFC provides supported housing, outreach support and therapeutic activities for adults with serious and complex mental health problems. Its values and working practices focus on person-centred approaches, to maintain wellbeing and enable its clients to achieve their full potential. As well as supported housing and outreach services, it runs a Resource Centre that provides advice, drop-in sessions, courses and various activities for its clients.

The evaluation method strictly follows SROI principles. This involves assessing the impact of NFC's services – what difference it makes – to the clients it serves and also to other 'stakeholders'. In this context stakeholders include NHS and Local Authority social care services, and in certain cases also close family members, central government and other agencies. Once this impact is understood, appropriate indicators are identified to measure the change achieved, and financial valuations are given to these indicators. This enables comparison between the overall value of change achieved and the value of input invested in the organisation.

Method Used

The SROI methodology was applied through a planned approach comprising a number of stages:

1. Background information was gathered from NFC through discussions with managers, review of records, and published reports including external studies and research.
2. An initial workshop was held with a mixed group of NFC staff, Management Committee members and clients. This workshop explained the SROI approach, and sought their feedback on who NFC's stakeholders were. It also explored how best to gather further information from these stakeholders, including other clients.
3. The main information-gathering stage then consisted of further meetings, interviews (some face-to-face, others by telephone), and other research. This gathered feedback and views from all key stakeholders including NHS and Local Authority representatives, family members, other agencies and of course clients themselves.

   For clients, a series of small focus groups was held, including both outreach and Resource Centre clients. For some clients however, direct involvement through interview was impractical; here, information was gathered via NFC's outreach workers and from records on its client database.

4. All of this information was brought together in a 'theory of change', which summarises the change experience by clients and others as a result of NFC's work. These changes were first quantified and then given equivalent financial values, or 'proxies', in accordance with SROI principles.

   These valuations 'translate' intangible benefits into financial values. This was done in a number of ways, based on identifying the valuation method which most accurately reflects the situation, including:
   - Actual cost savings, based on the cost of handling extra demand, for example for health and social care services
   - 'Willingness to pay' – the cost of securing services by another method that would achieve the same outcome
   - 'Life satisfaction' (wellbeing) valuations: essentially, statistical calculation of the level of financial compensation required to bring someone with a particular disadvantage up to the same overall level of life satisfaction as someone without that issue.

   Valuations, and the rationale behind them, are explained in Section 4.

5. Finally, the total financial value achieved for all stakeholders was projected forward over a five-year timeframe, taking account of external factors such as the contribution of other agencies and 'drop-off' effect over time. The resulting total was divided by the total value of resources used by NFC to arrive at the SROI ratio – the amount of social value achieved per £1 invested.

At all stages, the consultant worked collaboratively with NFC, discussing emerging findings and ensuring the reliability of evidence collected. Some difficulties were encountered in interviewing NHS and Local Authority staff, mainly because major restructuring in both these organisations made many other demands on their staff's time. However, some feedback was obtained from all relevant areas, and further engagement has been achieved through circulating a draft of this report.

Outcomes and Impact

Because NFC deals with serious and complex mental health cases – often cases that other support organisations are not able to manage – many of its clients are long-term and relatively few become symptom-free and able to return to a normal working life. In SROI terms, 'change' therefore has to compare what they have achieved with NFC support with what their situation would have been without it.

This results in a range of scenarios: in the best case, the person will recover sufficiently to cease needing continued support, and may even resume work. At the other extreme, the person may make little measurable progress in the medical sense, but nevertheless will sustain their independence, and in a holistic sense will have greater resilience and life skills. Here, were in not for NFC support, their condition would almost certainly deteriorate to the point of requiring permanent residential care or long-term hospitalisation. NFC's clients include people in these situations and all points in between.

Clients expressed their experience of change in many different ways, including reduced isolation, greater safety, increased confidence and self-esteem, and more structure and control over their lives. In essence, even where the road to recovery is a very long one, they experience improved quality of life and hope for the future – things that are of great personal value to them. Feedback also identified that clients' relationship with NFC and its staff was crucial in achieving this success, and this reflects the person-centred approach on which all NFC's work is based.

Clients also confirmed the impact this has on other organisations, because they gave evidence of a reduced need for residential care, hospitalisation and other NHS services due to NFC's support. Interviews with professionals from these areas also supported this impact on demand, although the extent of reduction remains difficult to quantify.

Some impact was also identified for family members (in terms of respite and relief from anxiety), for central government (reduced welfare payments where clients become well enough to take up work), and for other agencies (where NFC clients do voluntary work for them).

Conclusions

Conclusions are fully explained in Section 6, and can be summarised as follows:

- For every £1 invested in the organisation in 2012-13, NFC delivered between £4.00 and £6.50 of social value. The exact SROI ratio, based on best estimates, is £5.23 per £1 invested.
- This equates to a total of between £3.2m and £5.2m of social value delivered during this period for an investment of just under £800,000.
- The largest part of this value comes from benefits to NFC's clients, through improvements in their health, well-being and quality of life. A substantial part also comes from savings to the NHS and Local Authority Adult Social Care services. Based on the analysis in this report, it is estimated that NFC saved the NHS and Local Authorities between £1m and £2m in 2012-13.
- In some cases, benefits are also achieved for clients' family members, central government and other agencies.

The calculations that support these figures are fully detailed in the Impact Map (separate document in MS Excel) and summarised in Appendix 1 of this report. A number of recommendations (reported separately) have also been made to NFC on how its effectiveness might be improved still further.

Section 1: Introduction and Context

1.1. Network For Change and its Services

Network For Change (NFC) is a Leicester-based voluntary sector organisation that provides supported housing, community outreach and therapeutic activities for adults with serious mental health problems. Its values and working practices focus on person-centred approaches, to maintain wellbeing and enable its clients to achieve their full potential.

NFC provides a number of services:

- Supported Housing (single and shared) in 26 managed properties, with 'floating support' to enable residents to live independently in the community and enjoy a good quality of life, without the need for hospital or residential care (an average of two face-to-face contacts per week, plus telephone support, is provided)
- Outreach support, with similar service delivery objectives to Supported Housing but for clients in their own accommodation
- A Resource Centre, which provides 'drop-in' sessions plus a range of organised activities and courses. These include confidence-building, mental health coping strategies, the arts, complementary therapies, gardening and cookery.

The Resource Centre also provides information, advice and guidance on an informal basis, and this is particularly relevant to clients who may be on NFC's waiting list for supported housing or outreach work. The Centre has a strong focus on peer support and ensures those who use the service are involved in the design and delivery of the evolving programme of groups/activities.

NFC's whole way of working is also very flexible and responsive so that it can, for example help clients to move house, or provide immediate support to those at risk of crisis to avoid the need for hospitalisation. The following extracts from NFC's information pack explain this approach.

> Recovery values and practice are the driving force which underpins all aspects of service delivery at Network for Change. Within a mental health context recovery is not limited to clinical recovery, being permanently symptom free, but allows a dynamic new vision for services which offer real hope to everyone.
>
> "Recovery is about building a meaningful and satisfying life, as defined by the person themselves, whether or not there are ongoing or recurring symptoms or problems. Hope is central to recovery and can be enhanced by seeing how we can have more active control over our lives and by seeing how others have found a way through."
> *'Making Recovery a Reality'*, the Sainsbury Centre for Mental Health, 2008

Clients are referred to NFC from other agencies including the NHS and Local Authorities, and in some cases from client self-referral. Funding comes from Leicester City Council, from the NHS in Leicester City and Leicestershire, and increasingly from clients who have been given personal budgets for health and/or social care. Big Lottery funding has also been secured for Resource Centre activities from October 2013.

1.2. The Wider Mental Health Context

Leicester has significant areas of deprivation, with unemployment and levels of long-term mental illness significantly higher than the national average. The demand for mental health services is also well above the national average, with high numbers living in residential care in the city, high demand for specialist housing-related support provision such as Network's, and over-stretched Intervention, A&E and community mental health services. There is also a lack of in-patient beds, leading to some patients being sent to private hospitals out of the area.

Both the NHS and Leicester City Council are in a period of transition, with reorganisations taking place in connection with new funding arrangements. For the NHS this relates to the new Clinical Commissioning Groups, and also to the introduction of Payment by Results (PbR) for mental health; for the Council a major funding review is under way in response to cuts in local government support. Both of these will involve a shift from grant funding towards commissioning via competitive tender from the voluntary, private and statutory sector, together with increasing use of personal budgets that service users themselves will control.

For 2013-14, NHS and Council funding arrangements have been carried forward from 2012-13 with a small percentage cut. New funding arrangements from April 2014 have not yet been finalised by commissioners, and these could have a substantial impact on NFC.

1.3. The SROI Methodology

Social Return on Investment (SROI) is a way of measuring an organisation's social, economic and environmental impact. The methodology is recognised by UK Government; *A Guide to Social Return on Investment* was published by the Cabinet Office in 2009. It identifies and measures the changes that are experienced by the organisation's 'stakeholders' - the people and organisations that are affected by it or who contribute to it. It then uses financial proxies to value all significant outcomes for stakeholders, even where these outcomes reflect changes that are not normally considered in financial terms. This enables a ratio of costs to benefits to be calculated, so that for example, a ratio of 1:4 indicates that an investment of £1 delivers £4 of social value. Full information can be found on the SROI Network web sites: http://www.thesroinetwork.org or http://www.sroi-uk.org.

Seven guiding principles apply to any SROI analysis:
- Involve stakeholders
- Understand what changes
- Value the things that matter
- Only include what is material
- Do not over claim
- Be transparent
- Verify the result

1.4. Use of SROI for Network For Change: Purpose and Scope

This is an evaluative SROI report; in other words it considers retrospectively the value that NFC has achieved rather than anticipating the impact of future developments. It is based on activities and valuations for the financial year April 2012 - March 2013.

The main aims of this report are to give NFC:
- evidence of the effectiveness and social value of its work, including an SROI ratio
- credible information which can inform funding organisations, including commissioners
- information and ideas for further improvement, which it can use in conjunction with other work to support future planning and development
- an understanding of SROI methods to assist its own evaluations in future

NFC aims to provide a holistic service to clients, and hence this evaluation addresses the collective impact of all its services including supported housing, outreach, Resource Centre and other support.

1.5. Activities Undertaken

Compiling this report has involved a range of consultation and research activities including:

- Review of documents and data:
    - NFC reports, accounts and Lamplight database
    - NFC's own client feedback and survey data
    - Various external research and policy documents
    - Desk research on indicators and financial proxies
- Consultation with stakeholders:
    - Managers, staff and some Management Committee members
    - Clients, through focus groups and other feedback methods
    - Family members (only relevant to a few clients)
    - A broad range of outside agencies

Appendix 3 shows a full list of those consulted, and of reference documents.

Whilst it was not possible to consult every organisation connected with NFC due to the wide range and nature of these contacts, the most important stakeholders have all been included (Section 2).

1.6. Limitations on Information Gathered

A number of factors constrained the information gathered for this report. First we could only talk to people who were prepared to be engaged with the evaluation. This applied to clients, where it was also important not to do anything that might cause stress or anxiety to those with serious mental health issues. It also applied to some external stakeholders, where a combination of reorganisation issues and time pressure meant that we were not able to interview as many people as we would have liked. Speaking to family members also presented issues as described in Section 2.

This has been addressed by 'triangulating' information from different sources, so that for example information on change for clients comes from their support workers, from NFC's Lamplight database records, from survey data, from other third parties and from written and video testimonials as well as from clients interviews. In this way we believe that all perspectives have been represented as fully and accurately as possible in the circumstances.

1.7. Acknowledgements and Thanks

This report has been researched and compiled by Andy Bagley of Real-Improvement, an experienced management consultant with specialist expertise in performance management and evaluation. Andy is an Accredited Practitioner with the SROI Network, and has completed previous SROI analyses in the mental health field. A great deal of help and information has been provided by NFC clients, staff, and representatives from outside organisations. Andy would like to record his sincere appreciation and gratitude for all support and assistance received, and to the many people who have given their time so willingly to assist this project.

1.8. Report Assurance

An enhanced version of this report has been submitted to the SROI Network for assurance – confirmation from that independent body that the report complies fully with Social Return on Investment principles. The report submitted is expanded with some more detailed explanations and further Appendixes needed by the assessors to confirm compliance; it will not change the report's key conclusions.

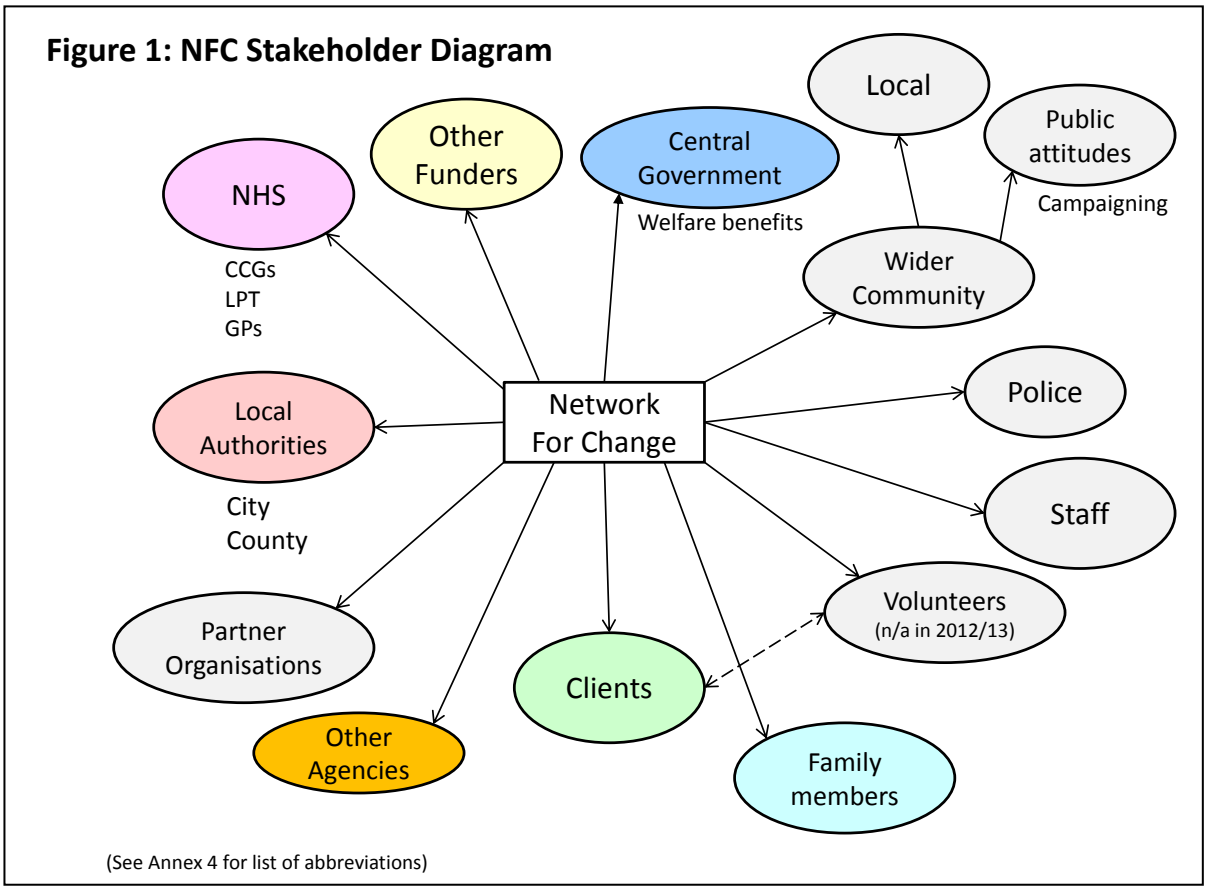
Section 2: Key Stakeholders

SROI assesses what difference NFC makes to its clients, and also to its other *key stakeholders.* A key stakeholder is any individual, group or organisation that NFC's work has a significant impact on. This impact could be positive or negative, and does not have to be part of NFC's core purpose - it could be unintended.

2.1. Identifying Key Stakeholders

Initial identification of stakeholders was undertaken through discussion with NFC managers, and at an initial workshop arranged at the start of the project. This workshop involved a group of clients, staff, and Management Committee members so that a broad range of views was captured. The following diagram shows the stakeholders identified from these initial steps.

Figure 1: NFC Stakeholder Diagram



Through further discussion and subsequent interviews with clients and other stakeholders, this initial list was refined to identify those stakeholders considered 'key'. The key stakeholders identified through this process, and how they were engaged, are summarise in Table 2.1 below and explained in the following subsections.

Table 2.1: Summary of Stakeholder Involvement

Stakeholder	Size of Group	Material?	Number Involved	How Involved
Clients	171	Yes	20 by interview, about 50 via other feedback methods, one ex-client also interviewed	Small group interviews, NFC database and surveys, videos, external surveys, feedback via NFC staff and other stakeholders
Family members	17 (estimated – see Section 2.3)	Yes	4 family members + one family support worker (re children)	Individual telephone interviews
NHS funding agencies	1 agency (now two CCGs)	Yes (as funders)	3	Interviews with two managers and one former manager
LA (funding department)	1 directorate	Yes (as funders)	3	Interviews with two managers, review feedback from a third
NHS Services - GPs - LPT - A&E	All primary and secondary mental health care services	Yes	3	Interviews with one GP & one LPT manager (who also reviewed the draft report), further info from another LPT manager
LA Services (Adult Social Care)	1 directorate	Yes	4	Interviews with two social workers and one family support worker, review feedback from an ASC manager.
Other agencies	Various	Yes	2 (one from LAMP*, one from De Montfort University)	Two interviews for corroborative information, one of whom also reviewed draft report
Government	Various agencies (DWP, HMRC, LAs for HB)	Yes	-	Not directly consulted

*LAMP is an independent mental health advice agency and directory service for Leicester.

Where other stakeholder groups are not considered material, this is explained in Section 2.8.

2.2. Clients

Clients themselves – the individuals who use NFC's services – are the most obvious and important stakeholders. They fall into two main groups:

- Those who are supported at home (either in NFC-managed supported housing or in other accommodation with outreach support)[1]

[1] The term 'outreach support' is used in the rest of this report to include both those in supported housing and those in other accommodation.

- Those supported through the NFC Resource Centre (some of these people are on a waiting list for supported housing or outreach support)

There is some overlap between these two groups, in that a few people who use outreach support also attend Resource Centre activities and drop-ins.

Clients were consulted and feedback obtained in a number of ways:

- A series of five focus groups conducted at the Resource Centre involved a total of 18 clients. These were structured small-group discussions, focused on identifying what had changed for clients through support from NFC.
- Records on NFC's Lamplight database were reviewed. These records included detailed notes on those supported by NFC's community teams, with information on progress made and their hopes for the future.
- Survey feedback gathered by NFC was also reviewed. This included questions about their satisfaction with NFC services and how these had benefitted them. A separate survey also analysed how NFC support had affected clients' use of NHS services.
- Several clients had recorded videos explaining their situation and experience with NFC.
- A meeting was held with members of NFC's community teams. This was particularly useful in gaining information on clients whose health or situation made direct contact impossible.

In addition, interviewees from other organisations were asked what difference they believed NFC made to its clients. This was particularly helpful in understanding the relationship between NFC and other service providers.

2.3. Family Members

The great majority of NFC clients are socially isolated, either living alone or apart from any close family. In some other cases, difficult family relationships are a significant factor in the person's mental health, and NFC support includes help with managing these relationships. In other cases, family members are in contact but the relationship could not be described as 'close', and the family member has no caring role. In a few other cases, two partners in a relationship are both NFC clients.

This leaves just a small minority of cases where family members gain some benefit from NFC's work. Based on discussions with NFC staff and review of NFC's Lamplight database, we have estimated this at 10% of clients (17 cases). A few of these cases involve children, where the client is a single parent. Other cases involve close family members (e.g. parents, children) who either live with or are in close touch with the client.

Getting feedback from such family members is particularly difficult, due to aspects of confidentiality and the small number of cases involved. However, four close family members were interviewed and one Local Authority family support worker was able to speak on behalf of a client's children.

2.4. Commissioners

This heading covers the main organisations who provide funding to NFC. In 2012-13, these were:

- NHS Leicester City
- NHS Leicester County
- Leicester City Council Adult Social Care

These funders are commissioning services on behalf of the service providers covered in the next two subsections. Several representatives from these commissioning organisations were interviewed to establish the basis for these arrangements, and how associated outcomes were monitored. Both for the NHS and Leicester City Council, future commissioning arrangements are under review, with changes likely to be introduced from 2014-15 onwards. (These reviews are one of the main reasons why NFC wanted to commission this SROI study.)

NFC receives no funding from Leicestershire County Council as NFC's supported housing properties are all in the City Council's area; however, NFC's outreach service still receives some referrals from Leicestershire Adult Social Care (approximately three a month). District Councils are not involved as their responsibilities do not include Adult Social Care.

2.5. NHS Services

These services include:

- General practitioners
- Other primary mental health care services
- Secondary mental health care services, including in-patient admissions
- Accident and Emergency services

A number of representatives were interviewed for their feedback on what impact NFC had on their services. We would like to have interviewed more of these professionals; others were approached in addition to those interviewed, but were either unavailable or unwilling to talk to us[2]. This may well be due to changes in governance (e.g. recent changes to Clinical Commissioning Groups) putting pressure on people's time.

[2] A total of seven other LA and NHS professionals were approached but did not respond.

2.6. Local Authority Services

Local Authority Adult Social Care services are involved in a broadly similar way to the NHS. Two front-line social workers with extensive experience with NFC clients were interviewed, together with one family support worker who also knew NFC well. Supporting feedback was also gathered from NFC staff and other stakeholders. Again we would like to have spoken to more Social Care staff but were unable to persuade them to be involved – ongoing restructuring within Leicester City Council may well be a factor here.

2.7. Stakeholders Not Included

PARTNER ORGANISATIONS AND OTHER AGENCIES
NFC works collaboratively with many outside agencies, and where appropriate will refer people to other voluntary sector groups as well as to NHS or local authority services. NFC also has a more formal partnership arrangement through the Conduit Consortium for supported housing. However, there is little evidence of any direct impact on these other services, largely because of the discrete and specialised role that NFC has. This means that, whilst there is an element of competition in how clients with a personal social care budget choose their own support, there is no evidence that NFC's activity significantly influenced the services that its 'competitors' provided during the period of this evaluation. (This may change in the future however, with competitive tendering.)

WIDER COMMUNITY
NFC has no significant impact on the local neighbourhood in which its office and resource centre are located, because its clients come from across Leicester and beyond. Also, whilst NFC is active in campaigning on mental health issues and seeking to change public attitudes, this aspect of its work falls outside the scope of this SROI analysis.

POLICE
Contact with the police can arise if the police have to deal with incidents involving NFC clients, and Leicester police has a nominated mental health liaison officer. However, there is not considered to be any significant impact on police work (in that they would have to deal with these situations anyway), and no clients or other stakeholders mentioned police involvement as a significant issue.

Although police involvement is not significant at present, NFC is looking at seeking funds to develop resettlement work with offenders (where it has been identified that a significant number lack support for their mental health needs).

VOLUNTEERS
NFC makes only limited use of volunteers, and these volunteers have come mainly from amongst its own clients. Most of this involves helping to run Resource Centre activities, with a small element involving receptionist duties. From the client perspective, these activities form an integral part of their involvement with NFC, and such activities were in any case remunerated via therapeutic earnings payments from funding received by NFC (see section 2.9).

STAFF

SROI analyses treat staff as key stakeholders only in exceptional circumstances. In other cases – and this applies to NFC – their input is valued within the organisation's resources (see below) and they receive corresponding reward through salaries. It was evident from discussions that NFC staff are dedicated and highly motivated, and in particular that they share the values and beliefs that NFC espouses. It is also true that NFC is a registered Mindful Employer, with more than half of its staff team having experienced personal mental health problems. In SROI terms however, benefits in this respect are not sufficiently material to NFC's core work to justify their inclusion as key stakeholders in this analysis.

2.7. Central Government and Other Agencies

These stakeholders experience what might be described as 'spin-off benefits' from clients whose recovery progresses sufficiently for them to be able to undertake part-time voluntary work or – in a few cases – to return to full-time paid work and cease claiming benefits. The resulting outcomes for these organisations are fully described in sections 3.7 and 3.8.

2.9. Valuing Inputs

The SROI ratio is calculated as the total social value generated divided by the total value of resources used. 'Resources used' is equivalent to the total annual income of NFC, and to this we would normally add the value of any additional volunteer time. During 2012-13 however, those clients who also contributed to the organisation, for example on reception or by helping to run Resource Centre activities, were paid for their time and a separate budget in NFC's accounts records this. The value of inputs for the year 2012-13 is therefore taken simply as the total income that NFC received (from all sources) for this period. This amounts to £793,075.

Grant funding that supported payment to clients in this situation ceased from the end of March 2013, and Resource Centre activities were scaled down as a result. A small amount of unpaid volunteering by clients has taken place since, but this (post-March 2013) falls outside the evaluation period of this SROI analysis. However, Big Lottery funding from October 2013 will enable many Resource Centre activities to resume and be expanded.

Section 3: Change and Outcomes

3.1. Intended and Actual Outcomes

NFC's current service specification, a joint NHS-LA document which is being extended through 2013-14, includes the sentence: "The support provided by the service is proven to reduce hospital admissions, stabilise individuals' mental health and enable people to establish a good quality of life as measured by various indicators e.g. decent housing, accessing full benefits entitlement, opportunity for meaningful relationships and social contact/activities, increased access to training, education and voluntary work etc."

Whilst undoubtedly a sound aspiration, it is evident from discussions with commissioners that no comprehensive measurement of this type has been compiled. Monitoring and external reviews have been undertaken, although these contain limited information on the indicators quoted above. For instance, there are many examples of individuals whose hospital admissions have reduced or ceased completely since becoming NFC clients. However, this is complex to measure in detail as each client may have greatly fluctuating episodes of poor health, making it impossible to predict the number of admissions that may be needed. Consequently, commissioners have not developed any detailed assessment of the extent to which hospital admissions are reduced as a result of NFC's support for clients.

A more structured approach to commissioning is intended for the future, both by Leicester City Council and by NHS commissioning bodies. In the latter case this will link to Payment by Results (PbR) for mental health, although such funding will relate to overall client needs rather than purely the work of NFC.

For this SROI analysis, it has been necessary to form a separate estimate of the impact that NFC has, both on clients themselves and other stakeholders. This is summarised in the rest of this section.

None of the outcomes achieved by NFC are 'unintended' in that:

- reducing the burden on NHS and local authority services is clearly consistent with NFC's remit in its service specification
- although clients re-entering the employment field is not its primary remit, it forms part of the holistic approach to recovery that NFC uses
- reduced welfare payments from central and local government are a natural consequence of this

Generally, no negative impacts were identified through this study, with the exception of a small element of displacement – see Section 5.2. When asked, clients and other stakeholders mainly identified issues of 'missed opportunity' – the fact that NFC could do even more good if it had more resources, to open longer, reach more people and provide more sessions.

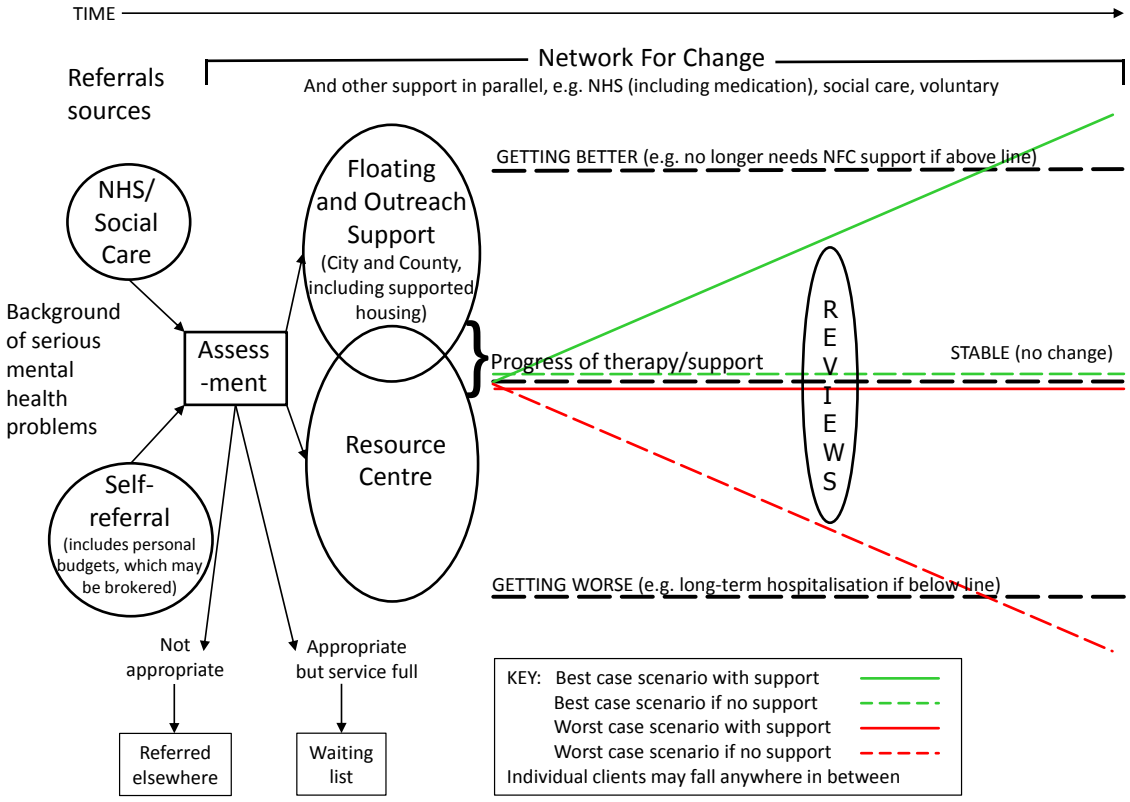
Particular consideration was given to whether clients on NFC's waiting list (i.e. waiting for supported housing or outreach services) experienced any negative impacts. From NFC records and discussions with staff, relatives and clients (some of whom had been on this waiting list), the conclusion is that they are no worse off than they would have been without referral. For example, if they needed

hospitalisation or residential care, they would have needed this anyway and their situation was not exacerbated by being on NFC's waiting list.

3.2. Theory of Change

The following diagram shows the sequence of events from referral to NFC onwards, and also summarises the theory of change from the client perspective. Consequent change for other

Figure 2: Pathways diagram (theory of change)



stakeholders is considered in subsections 3.4 to 3.7.

3.3. Outcomes for Clients

For clients, the diagram shows them first being referred to NFC, then going through an initial assessment process which determines their eligibility. Subsequent progression depends on funding through contracted services, self-directed support (personal budgets), or other sources such as Big Lottery. If this is available then the client will go on use either NFC's outreach support, or its Resource Centre, or in a few cases both.

Progress from that point varies for each individual, depending on their life situations and the severity or complexity of their mental health problems. Most will increase their ability to self-manage,

enhance their quality of life, and reduce their need for outside support. Such progress often takes many years and will not be a smooth progression – steps forward and setbacks will in practice produce a 'wavy line' rather than the straight green line shown. In a few cases they may recover sufficiently to re-enter employment, or at least reach a stage where continuing support from NFC is no longer required. In all cases NFC progress reviews with clients record the progress, current situation and goals for the future.

In other cases however, the person will make little discernible progress other than a stabilisation of their condition at its current level. Here "change" should be compared with what their situation would have been without support. In most if not all of these cases, a lack of support would mean a deteriorating condition, where the person would be unable to live in the community. As a result there is a strong likelihood that they would eventually require permanent residential care or long-term hospitalisation.

The nature of progress can be described in many different ways, and is unique for each client. As described by clients themselves from interviews and other feedback, these changes include:

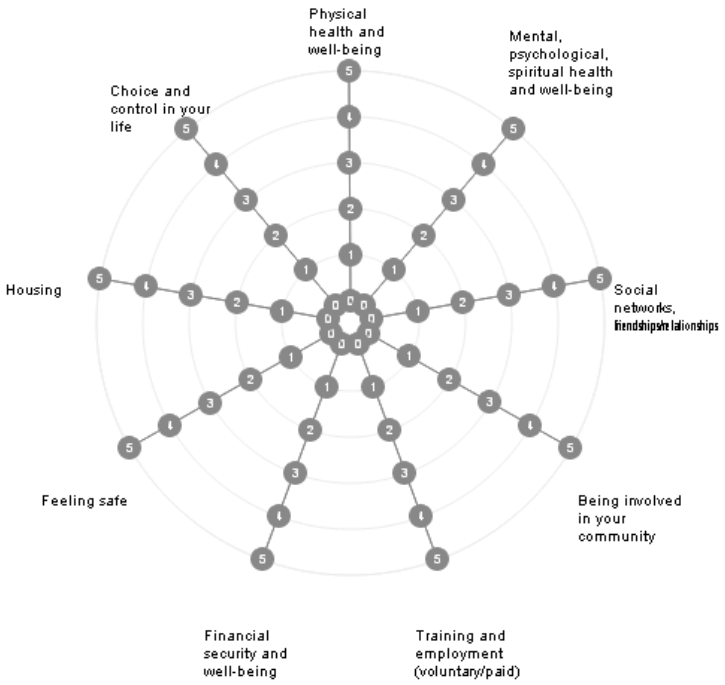
- Reduced isolation
- Feeling safe
- Increased confidence and self-esteem
- Ability to do more things by themselves
- Greater feeling of structure and control over their life
- Being able to do what they want to do
- Improved relationships
- New friends, better social life
- Greater independence
- Focus and strength to face the future
- Better physical health and self-care
- Feeling able to talk about their issues
- Acquiring new skills (through Resource Centre activities)
- Better quality of life

Some quotes from clients:

"It feels like family, they sense when you're not well."
"I wouldn't go out if not for here."
"It gives me strength, a sense of having done something."
"I would have died if not for here – I've moved on so well."
"It's given me confidence. I'd like to return to work, though my illness will never go completely."
"I've picked up friendships that are lifelong."
"I've overcome the need for therapy."
"I've not been in hospital for 10 years now, used to be in and out like a yo-yo."
"I feel a lot more positive, I'm going to college."
"The Crisis Team called a couple of times and I felt worse. Network gave me a life."
"I'm still here. I still get suicidal moods and lots of trauma, but I've got something out of my system. My mood has steadily improved."
"They are kindred spirits."

NFC also records client progress through a spider diagram – template shown below. This is an NFC-specific version of a widely-used tool (the Recovery Star and DREEM model), which was adapted in consultation with clients to identify key preferred outcome measures. However, the progress in levels 0-5 is not defined and the system relies on the client's subjective assessment. As a result, whilst 'patient/user experience' is valid and an integral evaluation factor, most of these assessments show little progress over time. NFC are now proposing to modify this system so that regular assessment of progress is made via an improved outcome evaluation process which includes

Figure 3: Outcomes Chart (spider diagram)



feedback from outreach keyworkers as well as self-evaluation by clients.

Given the individual nature of each client's situation, it would be impossible to assess the extent of change based on each of these characteristic separately. Instead, for the purposes of valuation and the Impact Map, clients are considered in three groups:

1. Those supported at home by NFC's outreach teams (including those who also use the Resource Centre) – 86 people based on NFC records[3]
2. Those who use the Resource Centre only – 85 people[4]
3. Those (from either of the above groups) who progress sufficiently to re-enter the employment field with limited or no continuing NFC support – estimated at 8 people (see Section 3.7).

[3] This is based on 90 available placements: 25 through supported housing, 42 commissioned outreach, 18 self-directed support (personal budgets) and right to control (a wider form of personal budgets for housing-related support). However, a few of these placements are normally vacant so 86 has been taken as an aggregate number for the year.

[4] Calculated from the total of 171 current clients minus the 86 supported through outreach.

Valuation for each of these three groups is explained in Section 4.1.

3.4. Outcomes for Families

This affects only a small number of cases in particular situations (estimated at 17 - see Section 2.3). Feedback from these family members shows that the main impact on them is one of relief from stress and anxiety, knowing that their loved one is being supported by a professional whom they trust. Whether or not the family member lives with the client, there is also an element of respite from caring responsibilities and the work of providing practical support to them. Relief from stress and anxiety applies not only when the client is actually receiving support, but at other times because the family member knows that they can always call NFC for help and advice.

3.5. Outcomes for NHS Services

Whilst there was generally little information available from NHS commissioners, useful feedback was gathered from NHS practitioners, from clients themselves, and also from a study conducted by NFC itself during 2010 (see text box).

This showed that outcomes for NHS services fell into two categories:

1. Situations where NFC work complements that of the NHS, with therapeutic support helping to improve the quality of life for clients/patients. In this situation improved outcomes are experienced by clients, but there is no impact on NHS services, whose services are delivered much as they would be without NFC involvement. Many referrals to NFC occur in this situation, with practitioners such as GPs, psychiatrists, and CPNs seeking aspects of client support that they cannot themselves provide. In this situation it is not helpful to break down between different types of NHS services, because the experience is similar and essentially involves no significant impact on the services they deliver.

2. Situations where NFC work results in reduced demands on the NHS. This applies when NFC support avoids critical situations which would otherwise require intervention from the LPT Intensive Crisis Support Team, or from Accident and Emergency Services in the case of self-harm, or would result in admission as a hospital in-patient. There is good evidence, both from clients themselves and from NFC records that this situation applies in a number of cases, including situations where NFC supports early discharge from hospital or residential care. Here there is a

> The 2010 NFC survey reviewed a selected sample of outreach clients to identify, from interviews and NFC records, to what extent their use of NHS services had changed since they began receiving NFC support. This survey showed a marked reduction in hospital admissions (including sections), use of the LPT Intensive Crisis Support Team, and visits to A&E, with more than half of these clients showing reduced use of these services.
>
> Reductions in the use of other NHS services were less marked, and in some cases increased (e.g. where NFC accompanied clients to appointments, helped them find new GPs, or encouraged them to take better care of their physical health. This support the assumptions made that impact on NHS services should focus on inpatient admissions, Intensive Crisis Support Team support, and A&E visits.

clear impact on the NHS in terms of savings achieved through reduced demand.

3.6. Outcomes for Local Authority Services

The Local Authority services considered here are those of Adult Social Care responsible for providing support for those unable to cope by themselves in the community. In recent years, this Local Authority role has steadily moved away from direct provision and now largely involves arranging or brokering such support from independent providers such as NFC.

There are two situations where NFC has an impact on Adult Social Care Services:

1. Where the client would otherwise be unable to live by themselves in the community, NFC support avoids the need for permanent residential care. The number involved here has been estimated at 45, based on a case-by-case analysis of outreach clients undertaken by experienced NFC staff. (It is possible that some clients who only use the Resource Centre might also fall into this category, but this has not been assumed, to avoid over-claiming.) The figure of 45 is an estimate, and the effect of varying it is tested in the sensitivity analysis (Appendix 2).

2. In other cases, there might be no impact in SROI terms if Adult Social Care could simply arrange support from another provider instead of NFC. In practice this is not the case, because of the specialised nature of support that NFC provides, and in particular its ability to cope with very complex client needs that other support providers cannot manage. The effect is that support by NFC means that Adult Social Care can largely "leave them to it", with only a minimum of monitoring and follow up required. Were they to involve some less specialised (and possibly cheaper) service provider there would be a need for greater involvement from Adult Social Care social workers to ensure that care needs were being properly met, and to sort out some problems that would inevitably arise. Here therefore, the impact on Adult Social Care is that of a reduced need for monitoring, direct support and "problem-solving" – in short, it reduces the amount of social worker time required.

   This is not intended to imply that other providers could not also demonstrate significant social impact, or that their SROI ratio figure overall would be lower than NFC's. But feedback from clients themselves, from social workers and from independent agencies was that *for the particular clients it works with*, NFC provides a service that is not as effectively replicated by others.

3.7. Outcomes for Central Government

Central government, on behalf of the taxpayer, will experience a change when NFC clients progress sufficiently to become economically active. This could mean taking up paid work (full or part-time) that reduces the need for welfare payments, or it could mean becoming economically active in some other way, such as volunteering or providing childcare that enables another person to work.

Whilst this certainly applies in some cases, the number involved (i.e. who move ‘above the line’ in the Figure 2 pathways diagram) in any one year is small. In 2013, NFC records show that 13 clients

moved on from outreach services, 8 because they had completed their programme of support and 5 for other reasons. Those who use the Resource Centre only are not tracked in this way, but 8 has been taken as an estimate of the number of people who leave NFC to become economically active.

The context for these relatively small numbers should be noted here. Those with mental health problems have the lowest proportion of employment of any disability group, and the largest single group of long-term unemployed. (For example only 8% of people of people with schizophrenia are in employment[5].) This is due to stigma and discrimination, as well as the way that fluctuating mental health can affect people's ability to gain and sustain work.

NFC supports clients with volunteering opportunities (see below) which offers meaningful activity and the opportunity to develop skills which can help clients move closer to employment. Even so, these external factors beyond NFC's control mean that even where clients recover sufficiently to seek work, their chances of finding it are limited.

3.8. Outcomes for Other Agencies

These outcomes arise when NFC clients undertake unpaid volunteering work, not within NFC itself but with other charities, community groups or other agencies in the area. This is directly attributable to NFC, because it is their support for clients that gives them the confidence to undertake this work. This has the effect of increasing the resources available to these organisations, and hence the contribution that they can make to the wider community and society. NFC records indicate that 28 clients, all volunteering on a part-time basis, contribute an average of 123 hours per week in this way.

The type of work involved varies considerably, and it is not feasible to ascertain the detailed impact of this volunteering activity on each of these other organisations' "end users" – clients or the wider public. Outcomes are therefore gauged in terms of changing the resources available to them (see Section 4.6).

[5] *The Abandoned Illness* – report by the Schizophrenia Commission 2012

Section 4: Valuing the Outcomes

This section takes the changes identified in Section 3, and for each stakeholder group goes through a process of quantifying and valuing that change. This provides the background and explanation for the figures shown in the Impact Map (separate document, summarised in Appendix 1).

4.1. Clients

Whilst NFC clients expressed the change they experienced in many different ways, there is a clear common theme underlying the change: that of the client's relationship with NFC and its staff. The approach we have adopted to valuing this is through 'life satisfaction' (see text box), because it is more realistic than other valuation methods in this situation. For example, 'stated preference' methods, which asks people to place a value (in £) on the service they receive, would be difficult for clients in this situation, and likely to result in low levels of engagement.

LIFE SATISFACTION
Life satisfaction valuation (sometimes called wellbeing valuation) uses large national datasets such as the British Household Panel Survey. Such datasets measure people's overall satisfaction with their lives, and also identify a wide range of factors which affect this (e.g. income, health, relationships, housing, employment status). From these, statisticians can calculate what level of financial compensation would be required to bring someone with a particular disadvantage up to the same overall level of life satisfaction as someone without that issue. This yields a figure that may – if correctly interpreted – be used as a valuation in SROI analysis.

Valuation for clients is addressed for each of the three groups identified in Section 3.3.

1. For those receiving outreach support, their relationship with their support worker is key. Whilst remaining within professional boundaries, NFC establishes a relationship of close personal support and trust, and this is clearly what clients value. For evaluation purposes the proxy is taken to be that of having a close personal, trusted and supportive friendship. No precise life satisfaction equivalent of this is available, but we have taken it as somewhere between that of the "friends" valuation in 2 below and that of having a partner/family, given as £57,800 - £68,400 per year[6]. In order to avoid over-claiming a conservative estimate of £25,000 per year has been used.

2. For those who use the Resource Centre only, similar considerations apply but at a different level. Here the emphasis is on a supportive social network, and the valuation used is that of "being able to meet up with friends a number of times per week"[7], given as £17,000 per year.

[6] Source: *Putting a Price Tag on Friends, Relatives, and Neighbours,* Powdthavee 2007. These figures are viewed as excessive for SROI purposes by other commentators (See *Valuation Techniques for Social Cost-Benefit Analysis*, Fujiwara & Campbell 2011), hence are often modified downwards.
[7] Source: *Well-being and civil society: Estimating the value of volunteering using subjective well-being data*, DWP, March 2013

It should be recognised that this figure is very much an average; some clients are heavily involved with the Resource Centre and with other informal NFC support where a higher value is likely to apply. Other clients will gain less benefit from the Resource Centre and some may leave after a period of time.

3. For clients who recover sufficiently to resume 'normal life' the value can be taken from those above plus (i.e. the benefits are cumulative) two other aspects that apply in their situation:

- The 'wellbeing' value to the individual of working (or otherwise being economically active) rather than relying on benefits, taken as £12,900 per year[8]
- The actual financial benefits of working rather than receiving welfare benefits, taken as £4548 per year (calculated as the difference between minimum wage £6.19[9] x 40 hour week and Jobseekers Allowance for a single adult £71.00pw[10] + average Housing Benefit for a single adult £81.87pw[11] = £94.73pw or £4926 per year)

4.2. Families

The value of NFC for family members goes well beyond that of simply having home care or a 'sitter' to take care of their relative. The nature of the support relationship – having the *right person* – is critical, as is the fact that NFC can be contacted as needed rather than only available at predetermined times. For these reasons, using a valuation based on alternative home care support is not appropriate; the proxy used instead is the cost of private therapeutic support and counselling that is on-call and can be bought in as and when needed. This valuation is taken as £40 per hour[12].

For the impact map, the multiplier used is 2 hours per week = 104 hours per year for each instance of this situation. This is an average based on the total amount of outreach support NFC provides, and produces the total of 1768 hours shown in the Impact Map.

4.3. NHS Services

As described in Section 3.5, outcomes are only relevant to the valuation for those instances where NFC support reduces the need for Intensive Crisis Support Team intervention, in-patient hospitalisation and/or A&E treatment, or alternatively where NFC are supporting someone in the community who would otherwise need permanent residential care.

This can only be done by estimating the number of instances in which this would occur. Although some evidence is available to support these estimates (see Section 3.5), accurate projection is not possible as there is no 'control group' for scientific comparison. This subsection describes the

[8] Source: *Life satisfaction and transboundary air pollution. Economic Letters*, Luechinger (2010) (2012 value)
[9] Source: National minimum wage for adults from October 2012, Department for Business Innovation & Skills
[10] Source: Benefit rates 2012-13, Department for Work & Pensions
[11] Source: Source: *Housing Benefit recipients average weekly award by age group and family type*, Department for Work & Pensions, January 2013
[12] Source: Minimum cost quoted by netdoctor.co.uk for private therapy, http://www.netdoctor.co.uk/diseases/depression/howtochooseaprivatetherapist_000479.htm - also supported by previous SROI study by Real-Improvement

estimates used for the SROI calculation, and the effect of varying these is tested as part of the sensitivity analysis in Appendix 2.

To begin with, we have assumed that this situation applies to all NFC clients who receive outreach support, and not to clients supported only through the Resource Centre – a total of 86 people (Section 3.3). This is clearly a generalisation, as a few outreach clients may not meet this criteria whilst a few Resource Centre users may. However, these numbers would probably balance out, so the overall assumption is reasonable.

Secondly, we have divided the figure of 86 between those who would otherwise need residential care, and those who would try to manage on their own in the community. Based on a review of case files by NFC staff, combined with personal knowledge of the individuals concerned, it is estimated that 52% of this client group (45 out of 86) would need residential care. This figure is used to calculate the cost to Local Authority Social Care in Section 4.4, and this is taken to apply instead of, rather than as well as, the additional NHS support considered here.

Thirdly, we have assumed that the remaining 41 clients would require a variety of additional secondary mental health care services from the NHS, comprising:

- Intensive Crisis Team Support
- In-patient hospitalisation
- Accident and Emergency Unit admission

and that on average the additional demand will be one intervention from each of the above services over the course of a year.

All of these estimates recognise that the position for individuals will vary greatly; some may avoid several hospital admissions or other incidents each year, others none at all. In addition to using conservative estimates, the effect of varying these assumptions is tested in the sensitivity analysis (Appendix 2) and is one of the reasons why the SROI ratio is quoted as a range rather than a precise figure.

Finally, the cost of each of these additional NHS interventions is worked out as follows:

- Cost of Intensive Crisis Support Team intervention per episode = £1,357[13]
- Cost of in-patient hospitalisation per bed-day = £330[14]
- Number of bed-days avoided through NFC involvement = 41 (number of instances per year, same assumption as above) x 15 days (average length of in-patient stay[15]) = 555
- Cost of A&E admission including ambulance transfer = £326[16]

4.4. Local Authority Services

[13] Source: *Unit Costs of Health and Social Care*, LSE PSSRU 2012 p56 – average cost of deprivation of liberty safeguards taken as closest equivalent to Intensive Crisis Support Team intervention
[14] Source: *Unit Costs of Health and Social Care*, LSE PSSRU 2012 p47 – mean inpatient cost per acute bed day
[15] Source: *Mental health benchmarking*, Audit Commission 2011 p15 – median average length of stay
[16] Source: *Unit Costs of Health and Social Care*, LSE PSSRU 2012 p109 – minor injury + emergency transfer

The same estimation approach is needed for Local Authority Adult Social Care services as for NHS services in Section 4.3 above. Here the valuation estimates are based on:

- The number of clients being supported by NFC in the community who would otherwise need permanent Local Authority residential care: 45
- Cost of Local Authority residential care for adults with mental illness: £563.45 per week = £29,230 per year (weekly figure calculated from £640[17] plus £22.60 personal allowance less £99.15 Long-Term Incapacity Benefit (see Section 4.5) taken as client contribution).
- The additional time that would be needed from their staff were they to try to manage NFC clients through another provider rather than NFC. For simplicity, and to avoid over-claiming, this is assumed only to apply to outreach clients (other than the 45 above, leaving 41), at the rate of three hours of social worker per client per month. The rate used is £39.00 per hour[18] and the consequent annual valuation is £1,404 per client.

[17] *Personal Social Services: Expenditure and Unit Costs, England 2011-12 – Final Release*, Health and Social Care Information Centre 2012 p23

[18] Source: *Unit Costs of Health and Social Care*, LSE PSSRU 2012 p190 – overall cost per hour

4.5. Central Government

Savings to central government can be estimated from the reduction in welfare benefit payments to those who re-enter the employment field or otherwise become economically active. The estimate is based on the 2012-13 rate for Long-Term incapacity benefit[19] (£99.15 per week) plus the UK average amount of housing benefit paid to single adults[20] (£81.87 per week). This comes to a total of £9,413 per person per year.

4.6 Other Agencies

As explained in Section 3.8, change here is assessed in terms of the extra resources made available to outside agencies through NFC clients volunteering with them. This is valued by taking the average number of hours volunteered per week (123) and multiplying this by 45 to produce an annual equivalent figure, allowing for public holidays and other time off. This gives a total of 5,535 hours, divided by the 28 clients who do this, for an average of 197.68 hours per client per year. This is valued at £8.00 per hour[21], or £1,581.43 per year for each of these clients.

[19] Source: Benefit rates for 2012-13, Department for Work & Pensions
[20] Source: *Housing Benefit recipients average weekly award by age group and family type*, Department for Work & Pensions, January 2013
[21] Source: *The Economic Value of Volunteers*, Wales Council for Voluntary Action, July 2013 – quoting from Annual Survey of Hours & Earnings (2011), figure for part-time work

Section 5: Assessing the Impact of Network For Change

Thus far the analysis has considered what changes, and the value of that change, for clients and other key stakeholders. This section considers how much of that change is due to NFC itself, as against other contributory factors. It is divided into the four standard SROI aspects of deadweight, displacement, attribution and drop-off, each explained below.

5.1. Deadweight

Deadweight considers whether clients (and other stakeholders) would achieve at least some of the change or benefits achieved without any external help.

For NFC clients, this is very unlikely due to the nature of their illness. Whilst there is evidence that some people recover unaided from conditions such as mild depression, this is not the case for the much more serious and complex issues that NFC deals with. For this reason, no modification is made for deadweight in respect of any of the stakeholders involved.

Of course, in the absence of NFC clients could still seek support from NHS, Local Authority and other voluntary sector organisations. This is dealt with under Attribution below (Section 5.3).

5.2. Displacement

Displacement considers whether the positive changes that NFC helps people achieve mean that other people lose out as a result.

This does not apply to the core of NFC's work since neither its outreach services nor its Resource Centre activities disadvantage any other groups. (In this context, NFC's waiting list is regarded as a lost opportunity rather than a displacement issue – see Section 3.1)

The only situation in which displacement may arise occurs when a NFC client becomes well enough to take up a job, and in doing so deprives another person of the opportunity to take that job. This does not occur frequently enough to be analysed specifically for this report, so we have based an assumption of 20% displacement on DWP information[22] in this situation.

5.3. Attribution

This is potentially the most significant modifier for NFC clients; it considers whether part of the change or improvement experienced should be attributed to other causes rather than to support from NFC. This will be the case for many clients who benefit from other support including:

- Medication
- Other NHS therapies

[22] Source: DWP: *Social Cost-Benefits Analysis Framework*, March2012 p21 – substitution effect of supply-side programmes

- Peer support beyond that provided by NFC, including self-help groups (e.g. Hearing Voices group that originated from NFC and now runs independently)
- Other forms of support, for example for weight loss, reduced alcohol or drug dependence.

For a few clients, support from other family members or close friends may also be relevant.

Feedback clearly indicates that this varies for different individuals. Some see NFC support as an integral part of their recovery process, alongside other therapeutic inputs and different forms of support. In other cases, individuals are heavily reliant on NFC and do not enjoy good relationships with NHS professionals or other support services.

In this situation, the starting point for clients, and consequent outcomes for central government, is an attribution assumption of 50%. This recognises that attribution will be greater for some individuals and less for others.

When this was discussed with clients at the review stage, they felt that more than 50% should be attributed to NFC (less elsewhere). However this has been treated with caution, partly because of the difficulty of objectivity in this respect, but more particularly because the effect of medication is an unknown factor. The effect of medication varies greatly for different individuals, and it is impossible to say how much better or worse off than they would be – irrespective of NFC support – without it. For this reason, the base assumption of 50% has been retained and the effect of varying this assumption is tested in the sensitivity analysis – see Appendix 2.

For other stakeholders, attribution is 0% (i.e. all of the change is due to NFC), because NFC support is the only 'variable' being considered in this context – everything else (such as medication and other support they receive) remains the same.

5.4. Drop-off

Drop-off considers whether the improvement that NFC helps clients achieve is permanent or "wears off" over time.

Most NFC involvement with clients is open-ended, not limited to a defined period of intervention. In these cases, if NFC were to stop supporting the client, their mental health would quickly decline and any benefits would be lost, and hence drop-off of 100% (i.e. no lasting impact) could be argued. In fact however, although many clients are long-term, most make gradual progress over time as shown in the Theory of Change diagram (Figure 1, Section 3.1). The most realistic assumption therefore is that most support needs to be renewed but a small proportion has a permanent effect. For this reason a drop-off figure of 90% has been used; the balance (10%) is also broadly consistent with the proportion of outreach clients who complete programmes of NFC support each year.

Drop-off is considered differently when clients recover sufficiently to resume 'normal life'. Here, whilst they may remain in contact with NFC, the wider wellbeing and economic benefits they experience will be permanent provided they do not experience a relapse. The small numbers involved make this hard to analyse, and no specific examples of such relapse were identified.

However, to recognise this possibility a drop-off assumption of 10% has been included in the calculation for these cases.

5.5. Network For Change Impact: The SROI Ratio

The SROI ratio is the total value achieved per £1 invested, and this is calculated on the Impact Map – attached with this report as a separate document. This shows a 'headline' SROI ratio of £5.23 of social value per £1 invested, although this is modified through sensitivity analysis as shown below.

A brief summary of the Impact Map is attached as Appendix 1 to this report. This should only be regarded as a summary however. The full Impact Map is the definitive document for SROI calculation purposes.

5.6. Sensitivity Analysis

Many aspects of this SROI analysis use assumptions or generalisations which of necessity are approximate. This is an inescapable part of SROI, as such calculation can never be an exact science. It is addressed through sensitivity analysis, which examines significant assumptions and assesses the effect of varying these by plausible amounts - would this increase or decrease the SROI ratio? This results in the SROI ratio being expressed as a range rather than a precise figure. The actual SROI ratio quoted on this basis is between £4.00 and £6.50 of social value delivered per £1 invested.

Section 6: Conclusions

The analysis in this report demonstrates that Network For Change delivers £5.23 of social value for every £1 invested in the organisation. Appendix 1 gives a summary of how this is calculated, and full details are shown in the Impact Map. This 'SROI ratio' is a headline figure, and is more accurately expressed as a range of between £4.00 and £6.50 per £1 invested. Scaled up to an annual figure, this means than in 2012-13, NFC delivered between £3.2m and £5.2m of social value for the just under £800,000 invested in it.

The most significant element of this social value is the value to clients themselves – the people NFC works with. For those in supported housing and outreach, the key to NFC's success lies in the relationship that its outreach workers establish with their clients. Whilst retaining appropriate professional boundaries, NFC staff manage to achieve close and trusted relationships that are rarely replicated by statutory services, however well-designed. It provides a lifeline for people who would otherwise have little or no social contact and in many cases could not otherwise live in the community. The impact on the client's mental health and well-being is similar to that of having a very close, reliable and supportive personal friend. Valuation for SROI purposes is based on this equivalence.

For clients who use just NFC's Resource Centre the level of involvement is less intense, but NFC still has a significant impact in reducing social isolation. The extent of this varies between individuals; some attend other groups as well but for others NFC is their only route to social contact. The impact here is more equivalent to that of regular contact with a network of friends, with widely recognised benefits for health and well-being, and is valued accordingly.

Because NFC deals with serious and complex mental health cases – often cases that other support organisations are not able to manage – many of its clients are long-term and relatively few become symptom-free and able to return to a normal working life. However, there are a few cases in which this applies, and here there are additional benefits. These accrue both to the clients themselves in financial and in well-being terms, and also to the state in terms of reduced spending on welfare benefits.

NFC also delivers benefits for other stakeholders, most significant for NHS and Adult Social Care services. These benefits can be summarised as follows:

- For the NHS, including hospital in-patient services for mental health, the Intensive Crisis Support Team, and A&E services, there is strong evidence that NFC reduces demand. Because of the support it provides to them, NFC clients need these NHS services much less than they otherwise would.
- Similar considerations apply to Local Authority Adult Social Care. Here, NFC is able to sustain in the community people who would otherwise require long-term residential care. Because of the relationship it establishes with its clients, NFC also reduces the level of involvement required from social workers in managing these cases.

In valuation terms, these benefits are not far behind the value to clients themselves. Even allowing for variation through the sensitivity analysis, it is reasonable to estimate that NFC saved NHS and Adult Social Care services (combined) between £1m and £2m in 2012-13.

NFC also delivers benefits in two other areas and valuations for these stakeholders, although smaller, are also included in the Impact Map:

- For close family members, NFC allows respite from some of the practical support they have to give, and also provides relief, support and reassurance well beyond that of simply another carer. Although a few carers support organisations exist, If NFC were not there to support family members, such informed support could only be replicated through a trusted therapist recruited and paid for privately.
- Some NFC clients do part-time voluntary work for charities and other local agencies. This has a value for these organisations in increasing the resources available to them.

For all of the changes described, assessing the extent of these changes and the number of cases in which they apply, is the most difficult aspect of this evaluation. It is impossible for example to say precisely how many additional hospital admissions or other emergency interventions a particular individual might have needed in the absence of NFC support. There is also a good deal of uncertainty in how much of the change or improvement that clients experience is due to NFC itself, as opposed to other factors (e.g. medication, other NHS therapy, other agencies' involvement, other personal circumstances).

The report addresses all of these uncertainties by making estimates based on the best information available and then varying these estimates through the sensitivity analysis shown in Appendix 2. This produces the range of SROI values referred to. All estimates have been the subject of consultation, and all err on the side of caution to avoid over-claiming.

It should also be noted that some of the factors that affect these SROI values are likely to change in the future. For examples, use of personal budgets will increase, there is a continuing emphasis on reducing the need for residential care, and the possibility of a Crisis House for Leicester has been discussed. NFC is well aware of these changes and is contributing to the discussion on how benefits to service users can be maximised.

In addition to these conclusions and valuation, this evaluation has also identified some opportunities for NFC to increase the value it delivers still further. A number of recommendations have been made, and these appear in a separate Annex addressed to NFC.

Appendix 1: Summary of Impact Map (see full version of the Impact Map for explanation of these figures)

Stakeholder Group	Description of outcome in terms of value to that stakeholder	Number of people involved	Value per person per year	Adjustments		Total net value in current year	Total net value in subsequent years
				Attribution elsewhere	Drop-off per year		
Commission-ers/Funders	n/a (covered by NHS and Local Authority outcomes below)	n/a	n/a	n/a	n/a	n/a	n/a
Clients	Improved mental health, better quality of life and hope for the future (for those receiving outreach support)	86	£25,000	50%	90%	£1,075,000	£119,443
	Improved mental health, better quality of life and hope for the future (for those who attend the Resource Centre)	85	£17,000	50%	90%	£722,500	£80,277
	As above, plus social benefits of returning to mainstream life (for those who recovery enough to cease NFC support)	8	£12,900	50%	10%	£0	£211,307
	As above, plus economic benefits of returning to employment (for those who recover and are able to return to work)	4	£4,548	50%	10%	£0	£37,249
Families	Relief from stress & anxiety knowing that there relative is receiving appropriate professional support	17	£4,160	50%	90%	£35,360	£3,929
NHS	Reduced need for in-patient hospitalisation	41	£4,950	0%	90%	£202,950	£22,550
	Reduced need for Intensive Crisis Support Team intervention	41	£1,357	0%	90%	£55,637	£6,182
	Reduced need for A&E visits (including ambulance transfer)	41	£326	0%	90%	£13,366	£1,485
Local Authority	Reduced need for direct involvement/intervention by social workers	41	£1,404	0%	90%	£57,564	£6,936
	Reduced demand on Adult Social Care services - residential care placement	45	£29,230	0%	90%	£1,315,350	£146,149
Central Government	Reduction in expenditure on welfare benefits for those able to work	4	£9,403	50%	10%	£0	£77,012
Other Agencies	Increased resources available from NFC client who are able to volunteer part-time with these agencies	28	£1518	50%	90%	£21,258	£2,362
Totals for current and future years						£3,498,985	£691,489
Overall total							£4,148,538
SROI ratio (previous line divided by total 2012/13 investment £793,075)							£5.23

Appendix 2: Sensitivity Analysis

Section 5.5 quotes a 'headline' SROI ratio of £5.23 of social value generated per £1 invested, and Section 5.6 explains the need to test the effect of varying these estimates. This Appendix presents the sensitivity analysis used to test this variation.

Number of clients who leave NFC to return to economic activity

NFC knows the number of clients who complete a programme of support each year, but generally not what happens to them subsequently as contact is often lost. We have assumed that 8 will become economically active of whom 4 find paid employment and cease claiming benefits. Decreasing these figures to 4 and 2 respectively changes the SROI ratio to £5.06/£1; increasing it to 12 and 6 (plausible because some Resource Centre-only clients could achieve this) increases it to £5.40/£1.

Number of family members with a caring role

The uncertainty here lies in assessing how many family members fall into the relevant stakeholder classification of Section 2.3. However, changing the base estimate of 17 even quite significantly produces only a minor change in the SROI ratio. Decreasing it to 10 or increasing it to 25 only varies the SROI ratio between £5.21/£1 and £5.25/£1.

Extent to which the need for NHS services is reduced

These assumptions, from Section 4.3, fall into three categories. In each case the base estimate is that one additional intervention per person per year would be required.

1. NUMBER OF INSTANCES OF IN-PATIENT HOSPITALISATION AVOIDED

Halving the estimate to 0.5 extra admissions per year reduces the SROI ratio to £5.09/£1. Doubling it to 2 extra admissions per year increases it to £5.51/£1.

2. NUMBER OF INSTANCES OF INTENSIVE CRISIS SUPPORT TEAM INVOLVEMENT AVOIDED

Halving the estimate to 0.5 extra interventions per year reduces the SROI ratio to £5.19/£1. Doubling it to 2 extra interventions per year increases it to £5.31/£1.

3. NUMBER OF INSTANCES OF A&E ATTENDANCE AVOIDED

Here the effect of variation is very small. Halving or doubling this estimate varies the SROI ratio only between £5.22/£1 and £5.25/£1.

Extent to which the need for Local Authority services is reduced

These assumptions, from Section 4.4, fall into two categories.

1. REDUCTION IN THE NEED FOR PERMANENT RESIDENTIAL CARE

The base estimate is that 45 clients would need long-term residential care if NFC were not able to support them. Although this is an estimate, it is based on a case-by-case review by experienced NFC staff, hence will be fairly accurate; the variations quoted here are therefore relatively small. Decreasing this estimate to 35 would reduce the SROI ratio to £4.94/£1; increasing it to 55 would increase the ratio to £5.53/£1. (These alternative estimates take account of the consequent impact on NHS services above, as it is assumed that those in residential care are less likely to need this additional NHS support.)

2. REDUCTION IN THE AMOUNT OF SOCIAL WORKER TIME REQUIRED

Here we have estimated an average of three hours per month of additional social worker time per client would be required. Decreasing this estimate to one hour reduces the SROI ratio to £5.18/£1; increasing it to five hours raises the ratio to £5.28/£1.

Attribution to other agencies/factors (Section 5.3)

The extent to which the change that clients experience is attributable to NFC can only be estimated, because of the number of other factors that may also influence clients' progress (e.g. medication, other NHS therapy, other agencies' involvement, personal factors). From client and third party feedback however, there is no doubt that NFC's contribution is very significant, hence the starting estimate that attribution (where applicable) is 50%.

Reducing the estimate of NFC's contribution to 35% (i.e. 65% attributed elsewhere) would reduce the SROI ratio to £4.35/£1; raising the estimate of NFC's contribution to 65% (i.e. 35% attributed elsewhere) would increase the SROI ratio to £6.11/£1.

Whilst the effect of these variations may be cumulative, it is more likely that their effects will at least partially cancel out, hence overall variation is taken to be broadly within the limits identified above. The SROI ratio of between £4.00 and £6.50 per £1 invested is quoted on this basis.

Appendix 3: List of Organisations Consulted and Reference Sources

Table 3a: Organisations Consulted

Network For Change (managers, staff, clients, family members, former client)
De Montfort University, Faculty of Health & Life Sciences
LAMP Mental Health Advocacy and Information Service
Leicester City Council Adult Social Care (various teams, including commissioning)
Leicester City Council Children's Services (Family Support)
Leicestershire Partnership NHS Trust
NHS General Practitioner
NHS Leicester City Clinical Commissioning Group
NHS Leicestershire County and Rutland Clinical Commissioning Group
Voluntary Action Leicester

Table 3b: Network For Change References and Records

Author/Publisher	Title/Subject
Network For Change	2012 Impact report
	Annual Report 2012
	Assurance and performance information
	Client satisfaction survey 2011
	Financial information
	Investors in People Report 2013
	Lamplight client record database
	Referral Policy and Referral Form
	Service specification
	SHOUT Client Satisfaction DREEM Audits 2009 and 2011
	Summer Survey and Audit 2010
	Support Plan Policy

Table 3c: Other Reference Sources

Author/Publisher	Title/Subject
Audit Commission	Mental Health Benchmarking Audit 2011/12
Department of Health	Mental Health Clustering Booklet
Department of Health	Mental Health Payment by Results Guidance 2013
Department for Business, Innovation and Skills	National Minimum Wage Rates
Department for Work and Pensions	Benefit Rates 2012-13
Department for Work and Pensions	Housing Benefits recipients average weekly award by age group and family type, Jan. 2013

Department for Work and Pensions	Social Cost-Benefits Analysis Framework 2012: substitution effect of supply-side programmes
Department for Work and Pensions	Well-Being and Civil Society: Estimating the value of volunteering, March 2013
Frontier Economics Ltd	SROI Report for Leicester WRVS
Fujiwara & Campbell: (HM Treasury and DWP)	Valuation Techniques for Social Cost-Benefit Analysis, 2012
Health and Social Care Information Centre	Personal Social Services: Expenditure and Unit Costs England 2011-12 – Final Release
ImROC (Implementing Recovery through Organisational Change)	Recovery: A Carer's Perspective
Leicester City Council	Adult Social Care Market Position Statement 2012
Leicester City Council and partners	Joint Health and Wellbeing Strategy 2013-16
Leicester City Council and partners	Joint Strategic Needs Assessment 2012
Leicestershire Partnership NHS Trust	Crisis Care in Leicester
Leicestershire County Council	Adult Social Care Market Position Statement 2011
Leicestershire County Council and partners	Joint Strategic Needs Assessment 2012
London School of Economics, Policy and Social Services Research Unit	Curtis: Unit Costs of Health & Social Care 2011
Luechinger	Life satisfaction and transboundary air pollution, Economic Letters 2010
National Housing Federation	Providing and Alternative Pathway
National Philanthropy Capital	Outcomes Map: Mental Health
NEPHO (Network of Public Health Observatories	Leicester Community Mental Health Profiles 2013
Netdoctor.co.uk	Private therapy: http://www.netdoctor.co.uk/diseases/depression/howtochooseaprivatetherapist_000479.htm
NHS Leicester City, Leicester County and Rutland	NHS Spending Priorities
Powdthavee, Nattavudh	Putting a Price Tag on Friends, Relatives and Neighbours
Rethink Mental Illness	Crisis Recovery Houses: An Alternative to Admission
Schizophrenia Commission	The Abandoned Illness, report 2012
SROI Network	Social Return on Investment (various guidance documents)
SUCRAN (Service User and Carer Research Audit Network)	Service User Experiences in Leicestershire 2012
	Leicester City Council Prevention Report 2013
	Mental Health Pre-Summit Report 2013
Wales Council for Voluntary Action	The Economic Value of Volunteers, July 2013 update

Appendix 4: Glossary of Abbreviations

A&E	-	Accident and Emergency
ASC	-	Adult Social Care
CPN	-	Community Psychiatric Nurse
DH	-	Department of Health
DREEM	-	Developing Recovery Enhanced Environments Measure
DWP	-	Department for Work and Pensions
GP	-	General Practitioner
HB	-	Housing Benefit
LA	-	Local Authority
LPT	-	Leicestershire Partnership NHS Trust
LSE PSSRU	-	London School of Economics Policy and Social Services Research Unit
NFC	-	Network For Change
NHS	-	National Health Service
PbR	-	Payment by Results
SHOUT	-	Supported Housing Outreach User Team
SROI	-	Social Return on Investment