



Social Return on Investment (SROI) of Substance Misuse Work Leicestershire Youth Offending Service

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Social Return on Investment (SROI) is a technique that can be used to understand the return on investment and the impacts of a project, organisation or policy. This includes understanding both social impacts as well as financial cost/benefit. This work aims to identify the value created by the service, who benefits and how we know.

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1. Introduction

Aims and objectives of the evaluation

The aim of this evaluation is to use the principles of Social Return on Investment (SROI) to evaluate the value of substance misuse work within Leicestershire Youth Offending. Social Return on Investment (SROI) is a tool that helps measure the value of the impact of a project or service by considering a range of outcomes for all stakeholders affected by the project. It aims to put a monetary value on a range of social outcomes, both intended and unintended, so they can be included in the value of a project. It also takes into account what would have happened anyway and who else may have contributed towards the outcomes to ensure that an activity's contribution to value is not over-claimed.

Social Return on Investment (SROI) is a tool that helps organisations in measuring social impact and economic value they are creating. It can be thought of as a broad approach to cost-benefit analysis which is primarily used by public sector organisations in deciding whether or not the benefits resulting from an intervention justify its costs.

The Green Book, HM Treasury¹

The SROI process is made up of the following stages

- Talking to stakeholders to identify what social value means to them
- Understanding how that value is created through a set of activities
- Finding appropriate indicators, or 'ways of knowing' that change has taken place
- Putting financial proxies on those indicators that do not lend themselves to monetisation
- Comparing the financial value of the social change created to the financial cost of producing these changes

Measuring Real Value, nef²

Substance misuse in young people

The British Crime Survey provides a measure of the extent of drug use by young people. In 2008-09, 22% of 16-19 year olds reported that they had used illicit drugs in the past year, and 7% of 16-19 year olds had used a Class A drug in the past year. Cannabis was the most commonly used drug, with 18% of 16-19 year olds reporting use in the past year. The next most commonly used was cocaine powder, used by 5% of 16-19 year olds in the past year.

The National Treatment Agency have observed that: "Regular substance misuse can cause significant problems for young people. Young people can react in different

¹ *The Green Book* (2003) HM Treasury http://www.hm-treasury.gov.uk/data_greenbook_index.htm

² *Measuring Real Value: A DIY Guide to Social Return On Investment* (2007) New Economics Foundation

ways to the effects of drug and alcohol misuse. In extreme cases, they may develop serious medical problems or emotional disorders. Their attendance at school and college may suffer, along with relationships with friends and family members.” The consequences of substance misuse are wide-ranging. Among young people, substance misuse and intoxication are linked particularly to anti-social behaviour, committing violence, becoming the victims of violence, other offending, and risky sexual behaviour.³

Offending journey

The following factors are identified by the Youth Offending Service, through a review of existing research, as increasing risk of offending by the time they are 12 years old:

- Poor parental monitoring.
- Conflict with care givers.
- Hang around on the streets frequently.
- **Substance misuse (drugs and alcohol).**
- Educational difficulties (poor behaviour truancy and exclusion). Particularly where difficulties occur at the transition between primary and secondary schooling.
- Living in deprived areas

The following additional factors are associated with increased risk of offending by age 13-15:

- Prevalence of family breaks down between 12 & 13.
- Reduced parental monitoring.
- **Alcohol use.**
- Moving to areas of deprivation.

It is recognised that the further young people go into the juvenile justice system the less likely they were to desist.⁴

Impact of drug treatments – Existing literature

There is good evidence in the UK of the cost-effectiveness of adult drug treatment. Following the 1995 White Paper on drugs¹³, a government taskforce was appointed to help measure the effectiveness of treatment services. As part of this, the taskforce commissioned the National Treatment Outcome Research Study (“NTORS”) – the first national prospective study of treatment outcomes for drug misusers in the UK.

³ Leicestershire & Rutland Substance Misuse Strategic Team, Adult & Young Persons Comprehensive Substance Misuse Needs Assessment

⁴ Youth Offending Service

At each point, they were asked about:

- use of addiction services (other than the current treatment episode);
- health care events (i.e. inpatient episodes); and
- offences committed

Crime costs were considerably large, totalling £5.8m in the three months prior to entering treatment. Types of crime included in the study were shoplifting, burglary, robbery, fraud, and drug offences. A year after entering treatment, crime costs had fallen to £1.8m, but after two years they had increased again to £3.0m.⁵

However, long-term benefits are more important for young people (e.g. as they may develop substance dependency or become problematic drug or alcohol users if not treated) than for adults, where the goal of treatment is primarily to reduce the immediate harm done by adult problem drug use than on improving long-term outcomes.

The Department of Education study 2009 used National Treatment Agency data to complete a cost benefit analysis of substance misuse treatment for young people. To assess the impact of services for young people it is necessary to understand the costs of *not* providing support to young substance misusers⁶. Frontier Economics estimated the economic and social costs of drug and alcohol misuse on young people without support.

Table 1. Total lifetime counterfactual costs attributable to young substance misusers who access treatment– Frontier economics

	Long-term counterfactual costs
Total counterfactual costs	£1.1 billion - £2.2 billion
Total counterfactual costs (per person)	£46,145 - £91,964

Source: Frontier analysis based on the NDTMS/TOP, Hser et al. (2008), Filmore (1975) and Patton et al. (2006)

These average costs are lower than the unit costs of being a problematic drug or alcohol user because some young people (between 56% and 64% of the sample) are expected to experience natural remission (i.e. reduce or halt their drug or alcohol use as they move out of adolescence) and, therefore, not incur these costs in the future. In addition, 17.5% of the sample are expected to become non-problematic drug users (if not treated), with the costs of non-problematic drug users being somewhat lower – between £21,300 and £45,100 over a 20 year period⁷. The final element of long term counterfactual costs is the cost associated with being NEET.

⁵ Specialist drug and alcohol services for young people – a cost benefit analysis, Frontier Economics, DFE, 2010

⁶ Specialist drug and alcohol services for young people – a cost benefit analysis, Frontier Economics, DFE, 2010

⁷ However, it is not possible to predict which young people who use drugs will experience remission or become non problematic drug users without intervention.

This leads to poorer educational attainment and labour market outcomes in later life. Recent academic literature has valued the lifetime cost of educational underachievement and poor employment prospects at between £92,000 and £356,000 per person (expressed as a net present value).

After the counterfactual costs are established, the benefits of treatment can be estimated. As a result of treatment, most young people reduce their drug and alcohol consumption, commit fewer crimes and report improved wellbeing. The likelihood of their becoming problematic drug users or problematic alcohol users as adults also decreases.

The immediate benefits of treatment are lower levels of drug and alcohol related crime, and fewer drug and alcohol related inpatient admissions and deaths. The long term benefits of treatment are a lower likelihood (and therefore lower expected cost) of young people developing substance misuse problems as adults, and improved educational attainment and labour market outcomes

Data provided by the NTA indicates that the potential immediate benefit of drug and alcohol treatment could be up to a 55-65% reduction in offending by young people receiving treatment. Analysis by Frontier Economics also showed around a 40% drop in the estimated number of drug and alcohol related deaths and hospital admissions post-treatment.

The immediate benefit from reduced crime alone was sufficiently large to suggest a positive net benefit of drug and alcohol treatment for young people. Even assuming no long term benefits or immediate health benefits, it was calculated that in order for young people's treatment to be cost effective, the required reduction in the immediate amount of crime committed by young people is just 32%. By treatment exit, the amount of self-reported offending committed by young people had fallen on average by 55-65%.

To assess the long term benefits of fewer adult substance misuse problems, the re-presentation rates for young people four years after treatment can be explored. These are:

- 40% for Class A drug users
- 16% for alcohol users;
- 17% for cannabis users.

Compared to long-term substance misuse rates expected without treatment (37%-44%), treatment is effective for many young people suggesting that many young people who would otherwise be expected to escalate their drug or alcohol use and develop further problems appear to have effectively reduced or halted their misuse for up to four years after treatment (judged by NTA representation data).

Overall the study estimated a cost benefit (based on 2009 prices) of £4.66 to £8.38 for every £1 spent on young people's substance misuse treatment.

Table 2. Summary of costs and short and long term benefits associated with young people's substance misuse treatment – Frontier economics

Benefits	Per person	Per year for all young people in treatment in 2008-09	Across a lifetime of substance misuse for all young people in treatment in 2008-09	Ratio of benefits to costs
Total costs per year			£62.2m	
Immediate benefits	£2,539	£61.1m	£120.1m	£1.93
<i>Crime</i>	<i>£2,464</i>	<i>£59.3m</i>	<i>£116.5m</i>	<i>£1.87</i>
<i>Health</i>	<i>£74</i>	<i>£1.8m</i>	<i>£3.5m</i>	<i>£0.06</i>
Long-term benefits	-	-	£170.0m - £401.5m	£2.73 – £6.45
<i>Education and employment</i>	-	-	<i>£121.2 - £242.5m</i>	<i>£1.95 - £3.90</i>
<i>Adult problematic substance misuse</i>	-	-	<i>£48.8m – £159.0m</i>	<i>£0.78 – £2.56</i>
Total benefits	-	-	£290.1m - £521.6m	£4.66 – £8.38

Source: Frontier analysis

Young Peoples Substance Treatment activity in Leicestershire Youth Offending Service

How the service works

All young people who work with the Youth Offending Service are screened as part of the standard assessment process using the ASSET or ONSET assessment tool, which are designed to identify criminogenic needs (needs identified by research that have a correlation with offending) and scores the level relationship they have with offending, with a score between 0 (no link to offending) 4 a very strongly link to offending). Referral to or discussion with the substance misuse specialist takes place with all young people who score 2 or more on ASSET or ONSET. Once the referral has been accepted the specialist carries out a more in-depth assessment of their substance misuse and makes the decision about their need for treatment or not. If the young person requires treatment the specialist develops a treatment plan for the young person and works with them to deliver the treatment plan. If the young person does not require treatment they may work with the case manager on what advice and guidance is required by the young person.

The substance misuse specialist carries out psycho-social interventions together with harm reduction work with the young people they work with. Additionally where young people are at risk of causing harm to themselves and or others as a result of or

associated with their drug taking, specialists will monitor drug use so that changes in risk levels can be effectively managed.

Evaluation of the service

Social Return on Investment is similar to cost benefit analysis in that it compares the cost of the intervention with the value of the outcomes. SROI, however, involves the stakeholders affected in the analysis by engaging them to identify the outcomes that matter most to them. SROI also considers the value to the stakeholders of each outcome in order to identify where significant social and economic value is created and for whom. As the substance misuse workers work alongside the current YOS work it is possible to compare outcomes with young offenders who receive support from YOS but not a substance misuse worker. The pros and cons of this group as a comparison group will also be explored.

The investment period for this evaluation is between April 2011 and March 2012. 44 young people were assessed as tier 3 and were assigned a substance misuse worker over this 12 month period, between April 2011 and March 2012. This date allows sufficient time to track outcomes for young people after the intervention (e.g. reoffending rates).

2. Stakeholder consultation

A stakeholder is any group that is affected by the service. Stakeholders were engaged through a number of different methods and asked a series of questions outlined in the Appendix B. The following stakeholders were identified through the analysis:

Table 3. Stakeholder Samples engaged with:

Stakeholder	Population size	Sample consulted	Method of engagement
Young People	44	11	Interviews
Family members	Unknown	0	Based on young people's interviews
Police/Criminal justice system	N/A	0	Based on young people's interviews
Health services	N/A	0	Based on young people's interviews
DWP	N/A	0	Based on young people's interviews

Young People

Young people were asked what had changed as a result of having a substance misuse worker.

The young people talked about how they had cut down or given up substances and how this has helped them to feel better:

- *Only using small amount of cannabis – not mixing*
- *Changed how smoked weed and stopped taking other dugs*
- *Cut down on drinking*
- *Feel better about self*
- *No longer feel depressed*
- *Feel fresher and feel like doing more in life*

As well as feeling better in themselves, reducing drug or alcohol use lead to a range of other outcomes such as getting on better with parents and reducing the need to offend:

- *Control temper*
- *Don't argue at home*
- *Getting on with family more*

- Prevented offending
- Not offending to buy drugs

Many young people also commented on how the activities with the substance misuse worker helped them to learn about the effects of their substance misuse leading to thinking more about the choices they made.

- *Realised how vulnerable when drunk*
- *Head feels clearer*
- *Think about choices*
- *More control*
- *Learn about risks*

The changes quoted often appeared to lead to longer term changes in aspirations about their future, such as reengagement with education or employment, reducing the likelihood of becoming an adult with substance-misuse issues.

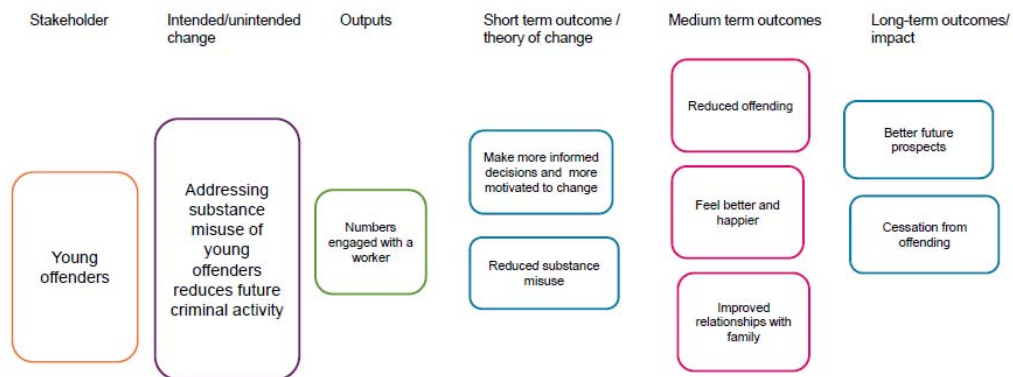
- *Life back on track (just about)*
- *Education and college – thinking about future*
- *Turned life around*

Although other stakeholders were not consulted directly there is a wealth of research evidencing the long term impact of substance misuse on young people, their families, the criminal justice system and health services.

3. Theory of change

The engagement with stakeholders can be used to develop a theory of change for all stakeholder groups to map out the short, medium and long term outcomes of the service.

Young Offenders theory of change:



The long term outcome of improving future prospects includes increased education and employment opportunities and reduced likelihood of being an adult with substance misuse issues.

Young offenders were asked who else benefited from the substance misuse work – The overwhelming response was that their family also benefited. Examples included:

- *no longer asking for money*
- *no longer arguing*
- *[parents] are happier*
- *[parents] no longer need to hide their belongings*
- *[Parents] no longer getting blamed*
- *at home more to help out*

- *[parents] can see changes*
- better relationship

The interviews with young people therefore also identified the following outcomes for other stakeholders:

- Family members: Young person reduces substance misuse and is motivated to change leading to family members having better relationships with the young person
- Health Services: Young person reduce substances misuse leading to reduction in health care costs of treating substance misuse
- Criminal Justice system: Young person reduces substance misuse and is motivated to change lead to reduction in offending and reduction in costs of managing offenders
- DWP: Young person improves relationships, reduced offending, and feels better, leading to better future prospects and savings to DWP due to reduction in benefit costs.

Materiality

To ensure that only material outcomes are included, at this stage it is important to identify the outcomes that considered relevant to the service. **Materiality** is defined as *“Information is material if its omission has the potential to affect the readers’ or stakeholders’ decisions”*.

According to SROI Guidance on Materiality, testing for relevance involves identifying whether the outcome is relevant because there are:

- policies that require it or perversely block it and the intervention can deliver it;
- stakeholders who express need for it and the intervention can deliver it;
- peers who do it already and have demonstrated the value of it and the intervention can deliver it;
- social norms that demand it and the intervention can deliver it; and
- financial impacts that make it desirable and the intervention can deliver it.

The outcomes in the theory of change can be tested for relevance by judging each outcome against the criteria for materiality. From the theories of change, the following outcomes were identified as being potentially relevant impacts of the activity:

Table 4. Outcomes identified

Stakeholders	Outcome
Young Offenders	Make more informed decisions and more motivated to change
	Reduced substance misuse
	Reduced offending
	Better future prospects
	Improved relationships with family
Criminal Justice System	Reduced cost of managing a young offender
Health	Reduced cost of substance misuse treatment
Families	Improved relationships with young person
DWP	Reduced cost of supporting those out of work

4. Measuring impact

Significance will need to be considered at each of the next stages. Significance means that the real or potential scale of the outcome has passed a threshold that means it can potentially influence decisions and actions.

Where quantities of change or values are low, or if deadweight or attribution are high, then the outcomes may not be significant. Significance can be considered after quantities of change, values, deadweight and attribution have been determined.

Evidencing outcomes

An indicator is a piece of information that helps determine whether or not change has taken place - it allows performance to be measured. The indicators are the *ways of knowing* something has happened or changed.

Table 5. Indicators to measure outcomes

Stakeholders	Outcome	Indicator	Source	Quantity
	What changes? (based on how stakeholders would describe the change)	How would we measure it?	Where did we get the information from?	How much change will there be?
Young Offenders (44)	Make more informed decisions and more motivated to change	Number of young people showing positive asset score change in 'motivation to change'	Careworks	8
	Reduced substance misuse	Number of young people showing positive asset score change in 'substance misuse'	Careworks	17
	Reduced offending	Number of young people who do not re-offend in 6 months	Offending data	30
	Better future prospects	Number of young people showing positive asset score change in 'education, employment and training'	Careworks	11
	Improved relationships with family	Number of young people showing positive asset score change in 'Family and personal relationships'	Careworks	16
Criminal Justice System	Reduced cost of managing a young offender	Number of young people who do not re-offend in 6 months	Offending data	30
Health	Reduced cost of substance misuse	Number of young people	Careworks	17

	treatment	showing positive asset score change in 'substance misuse'		
Families	Improved relationships with young person	Number of young people showing positive asset score change in 'Family and personal relationships'	Careworks	16
DWP	Reduced cost of supporting those out of work	Number of young people showing positive asset score change in 'education, employment and training'	Careworks	11

Reduction in re-offending can also be informed by the overall change in Asset Score. National research⁸ suggests that a lower asset score is linked to a lower reconviction rate. The average asset score was 16.1 at the start on the intervention and 14.8 at the end of the intervention. This supports the data on reoffending rates that suggests that the likelihood of re-offending does reduce.

Table 6: Percent reconviction within 24 months by current Asset score band

Score band (quintiles)	No. of cases	Percent reconvicted
0-4 (Low)	418	36%
5-9 (Low-medium)	437	52%
10-16 (Medium)	477	66%
17-24 (Medium-high)	448	76%
25-48 (High)	453	91%
<i>All cases</i>	<i>2233</i>	<i>65%</i>

Considering significance

All outcomes identified are experienced by at least 18% of the cohort, therefore all are considered significant.

⁸ Further Development of Asset, K. Baker, S. Jones, S. Merrington and C. Roberts August 2005

5. Valuing benefits

To assess the potential value of outcomes all of the indicators need to be monetised, or expressed in financial terms. When data is unavailable or difficult to obtain, proxies can be used. A proxy is a value that is deemed to be close to the desired indicator, for which data may be unavailable. Proxies should not be seen as conveying a hard and fast value on that outcome but as a way of expressing it in financial terms that ensures it can be included in the analysis. There are three main types of financial proxies:

- Approximations of real transactions or changes in money, for example where an outcome produces a change in income or expenditure for the relevant stakeholder.
- Approximations of value based on potential changes in money for the relevant stakeholder. For example, where the outcome may result in a lower use of resources but this is insufficient to actually affect the budget, these are often valued using unit costs.
- Approximations of value based on what a related market reveals about preference for the outcome (revealed preference), or which are based on surveys of stakeholders preferences for the outcome (stated preference). This approach is often required to value outcomes for groups of stakeholders that are not organisations, such as service users, families and other members of the community.⁹

This section will list the outcomes identified from the theory of change and the values attached.

When young people were asked what the most important change to them was they cited varied examples:

- *Stop arguing at home*
- *Stopping drugs has made mum happy*
- *Exercise*
- *Healthier*
- *Think ahead – more grown up in choices*
- *Turned life around*
- *Going to college*
- *No longer in debt*

⁹ A guide to Commissioning for Maximum Value, LGA, 2011

Table 7. Financial proxies for outcomes

Stakeholders	Outcome	Financial Proxy	Value £	Source
	What changes? (based on how stakeholders would describe the change)	What proxy did we use to value the change?	What is the value of the change?	Where did we get the information from?
Young Offenders (44)	Make more informed decisions and more motivated to change	Life coach (minimum for 10 weekly sessions)	£600.00	£60 per hour is average price charged for a life coach, from various websites such as http://www.lifecoachingedinburgh.co.uk/index.htm#coachingfees
	Reduced substance misuse	50% reduction in annual spending on alcohol and illegal drugs	£695.80	Figures for recreational drug users derived from 'Assessing the scale and impact of illicit drug markets in Scotland', 2009, Scottish Government at http://www.scotland.gov.uk/Publications/2009/10/06103906/0 . Figure for alcohol spend per week is £10.80 from Family Spending Survey 2009
	Reduced offending	Opportunity cost in lost earnings of a 3 month custodial sentence	£2,639	HM Revenue and Customs National Minimum Wage http://www.hmrc.gov.uk/nmw/
	Better future prospects	The wage scar in later life resulting from a period of NEET unemployment	£2,694.35	National Child Development Study (NCDS)
	Improved relationships with family	Average family spend on social activities	£520.00	Family Spending Survey 2009, Table A1, categories 9.4.1, 9.3.1., 9.4.2, 9.4.3.7, 9.4.4
Criminal Justice System	Reduced cost of managing a young offender	Yearly average cost of a first time entrant to the Criminal Justice System	£16,257	NAO Analysis, based on CIPFA, Home Office, Ministry of Justice and Youth Justice Board Data.
Health	Reduced cost of substance misuse	Average cost of a drug treatment and testing order	£11,727	'Do you know how supporting victims of crime is helping Scotland?', p. 34,

	treatment	per person		
Families	Improved relationships with young person	Cost of stress management course	£630.00	UK Council for Psychotherapy
DWP	Reduced cost of supporting those out of work	NEET - average cost per 18-24 year old not in education, employment or training	£4,491.93	Youth Unemployment: the crisis we cannot afford (ACEVO Commission on Youth Unemployment, 2012)

The value of reducing substance misuse is likely to have different values to young people depending on the level of the substance issue and the level of reduction. The value used here represents a reduction by 50% in the weekly cost of drugs for young recreational drug users in Scotland plus weekly spend on alcohol¹⁰, as this was felt to represent the level of reduction cited in the stakeholder engagement phase. Alternatively, the annual cost of Class A drug use is approximately £16,500¹¹. However, this is likely to overestimate the value of this outcome to young people, given that they were more likely to cite other benefits to them. In the sensitivity analysis we can test the sensitivity of this value.

The value of no longer offending to young people used here was the opportunity cost of earnings (at national minimum wage) of a 3 month custodial sentence. While the young people may not have directly avoided a prison sentence this could also represent the time that young people spend offending and involved with YOS.

Cost of managing an offender comprises the following constituent elements relating to the annual (updated) cost of first time entrants: court costs = £3,866; custody costs = £8,866; police costs = £1,907; Youth Offending Team costs = £1,618.

Considering significance

All values are significant given the cost of the project.

6. Not over-claiming

The SROI process also involves assessing how much of the outcomes is a result of the actual project or service. To do this, deadweight, displacement, attribution and drop-

¹⁰ http://www.employabilityinscotland.com/media/121757/sroi_real_jobs_evaluation_accredited.pdf

¹¹ Average cost of Class A drugs for a year supply – see Bennet Trevor, Drugs and Crime, Research Study 205, Home Office, 2000, cited in Wilkinson Francis, Heroin: The failure of Prohibition and What to do now, Paper No. 24, Centre for Reform, 2001, p. 11

off rates need to be taken into account. These rates can be agreed with those working on the project, based on their experiences, the needs of service users and wider research.

Deadweight

Deadweight considers what would have happened anyway if the service did not exist.

The young offenders were asked what would have happened without the substance misuse worker.

- *Would still be on drugs*
- *Would be an alcoholic without support*
- *Fitness would not have improved*
- *Wouldn't know risks and effects*
- *Would have made stupid choices*
- *Would have been recalled back*
- *Would be facing a long sentence in prison*

However, some also felt that changes happened as part of maturing –it is therefore important that a reliable control group is compared to.

In order to assign appropriate deadweight it is necessary here to split the intervention cohort into subgroups defined by their entry pathway for their specific YOS order. This can then be compared to the whole youth offending cohort over the same period.

Table 8. Intervention and control group samples by sub group

Sub group	Number in intervention group	Number in comparison group - April 11 to March 12
Pre referral order (Final Warnings etc)	5	68
Referral order	25	142
YRO/Community Order	12	109
DTO	2	14

This is considered to be the most reliable control group given that all those with substance misuse issues are assigned a substance misuse worker (so there is no control group with substance misuse issues who are not assigned a substance misuse worker). As the indicator used to measure progress was the change in asset score we can compare the percentage of young people with as substance misuse worker experiencing a positive change in asset scores against the percentage of young people without a substance misuse worker, experiencing a positive change in asset

score. Since the evaluation is assessing the additional benefit of having a substance misuse worker alongside the YOS worker this ensures that that only additional value of the substance misuse worker is accounted for and impact is discounted appropriately given the lack of a robust comparison group.

Where the impact is lower for those with a substance misuse worker than the comparison cohort, then 100% of the change was considered to be accounted for in deadweight – This judgement was supported by the interviews that identified positive, rather than negative changes as a result of having a substance misuse worker, suggesting that the addition of this worker would not reduce the likelihood of positive outcomes, but rather the substance misuse worker was able to achieve or sustain similar outcomes to the YOS worker (hence no additional value).. It is likely that this analysis underestimates the quantities of change as without a substance misuse worker the young people may be less likely to make the progress of the average cohort due to their substance misuse and how this affects other outcomes. The deadweight can be tested in the sensitivity analysis to allow for this variation. The data from the two cohorts is shown in the appendix A.

Table 9. Deadweight %s from YOS comparison group

Sub group	Outcomes	Indicator	Quantity	Deadweight
Pre referral order (final warning etc) (5)	Reduced offending	no re-offending in 6 months	2	100%
	Improved relationships with others(family)	Positive Asset Change	4	24%
	Reduced substance misuse	Positive Asset Change	4	10%
	Better future prospects (EET)	Positive Asset Change	4	24%
	Better choices/motivation to change	Positive Asset Change	3	24%
Referral order (25)	Reduced offending	no re-offending in 6 months	19	82%
	Improved relationships with others(family)	Positive Asset Change	10	76%
	Reduced substance misuse	Positive Asset Change	11	68%
	Better future prospects (EET)	Positive Asset	5	100%

		Change		
	Better choices/motivation to change	Positive Asset Change	3	100%
YRO/community order (12)	Reduced offending	no re-offending in 6 months	7	100%
	Improved relationships with others(family)	Positive Asset Change	1	100%
	Reduced substance misuse	Positive Asset Change	2	96%
	Better future prospects (EET)	Positive Asset Change	2	100%
	Better choices/motivation to change	Positive Asset Change	2	94%
DTO (2)	Reduced offending	no re-offending in 6 months	2	100%
	Improved relationships with others(family)	Positive Asset Change	1	72%
	Reduced substance misuse	Positive Asset Change	0	100%
	Better future prospects (EET)	Positive Asset Change	0	0%
	Better choices/motivation to change	Positive Asset Change	0	0%

By splitting the cohort into sub groups some outcomes now relate to small numbers which may not be material. However the data does appear to suggest that there is more additional impact of the substance misuse workers for those who enter pre-referral order or at referral order, rather than at YRO/community order or DTO.

Displacement

Displacement occurs when the project benefits are at the expense of others (e.g. benefits are displaced from elsewhere). As substance misuse workers are working directly with the offenders, displacement is not relevant here.

Attribution

Attribution considers what share of an outcome is attributable to, or results from, those outside of the service being evaluated. The young people were asked who else contributed to the changes for them. The people they mentioned were;

- *Friends*
- *Other YOS workers*
- *Family (Dad, Mum, grandma, children)*
- *Mainly self*

The substance misuse work therefore does not appear to put them in touch with, or work with any additional services that would not be accessed without a YOS worker. Therefore, attribution does not need to be discounted from the value, as any attribution from other services or assets would have been taken into account within the comparison group

Duration and Drop off

The service agreed that duration of two years with a 50% drop off was reasonable as this represented the motivation of the young people to build on what they had learnt, but also the reality that many will be unable to sustain positive outcomes without support. However when asked about how long the young people expected the outcomes to last they were positive that the changes were long term

- *Forever, because friends don't use drugs and have learnt about impacts*
- *Stop class A drugs forever as sick of lifestyle*
- *Will last as I have a better time not doing drugs*
- *Whole life as only have to look back to remember it's not worth it*
- *Forever, have family support, not worth getting into trouble, will continue work and stuff learnt*
- *Want to keep on and don't want to lose family again*

Research suggests that between 16% and 40% (40% for Class A drug users, 16% for alcohol users, 17% for cannabis users) of those receiving drug treatment would re-present within 4 years. This duration can also be tested in the sensitivity analysis¹² although the service was keen not to overstate the duration without robust evidence.

Projecting future benefits

¹² Specialist drug and alcohol services for young people – a cost benefit analysis, Frontier Economics, DFE, 2010

When projecting benefits into the future, it is standard SROI practice to discount¹³ the value of any future benefits. The HM Treasury discount rate of 3.5 per cent was applied to all future benefits in the model.

¹³ Discounting is defined as ' *The extent to which the value of a benefit accrued in the future is reduced, to reflect both the social and economic preferences for receiving a sum of money now, rather than receiving the same sum of money in the future.*'

7. The Social Return on Investment ratio

This section will include:

- Cost of delivery
- A figure for total value, and the social return on investment

The SROI ratio

The cost of the substance misuse work is the cost of two dedicated workers at a salary range from £27,590 to £39,766, including on costs. Other overheads are already covered through the YOS service therefore the average cost of two posts was used. The total input costs were therefore calculated as £67,356.00.

The total value created was £263,564

Total value and social return on investment

Total Present Value (PV)	£263,564
Net Present Value (PV minus the investment)	£196,208
Social Return £ per £	£3.91

*This gives a Social Return of **£3.91** for every £1 invested, within 2 years*

Table 10. Total value by stakeholder

Stakeholder	TOTAL Value	%
Health	£126,651.60	46%
Criminal Justice System	£83,398.41	30%
Young People	£39,960.55	14%
DWP	£20,483.21	7%
Family members	£5,405.40	2%

The outcomes that created the most value were:

- Reducing the cost to the health service of treating substance misuse
- Reducing the cost of offending to the Criminal Justice System (YOS, Police, Courts, Custody)
- Reducing DWP cost of supporting disengaged young people
- Reducing the impact of offending for young people (predominantly those on referral orders)

- Improving future prospects for young people (predominantly those pre-referral orders)

8. Sensitivity analysis

Financial proxies

The highest value outcome was the avoided health costs of dealing with substance misuse where a financial proxy of the cost of drug treatment was used – If we used a lower health cost of annual NHS cost of alcohol misuse (£1,907)¹⁴ the return on investment decreases to £2.41 for every £1 spent with 12% of the benefit created for health (and 49% for the criminal justice system).

We assumed that the value of a reduction in substance misuse was equivalent to 50% reduction in ‘recreational drug use’. If we instead applied the financial proxy of the cost of Class A drugs then the SROI increases to £6.33 (with 47% of benefit created for young people)

Duration and drop off

If we apply the durations and drop off identified in research on representation rates after substance misuse treatment we would increase the duration to 4 years and apply a 20% drop off- This would increase the SROI to £7.47

Deadweight

The deadweight was often high as the comparison group used was a similar offending cohort without a substance misuse worker (and hence no substance misuse issue) who were still receiving support from YOS. This ignores the likelihood that offenders with substance misuse issues may be more difficult to work with than other offenders. By reducing the deadweight to 10% (i.e. only 10% of the young people would have experienced the outcomes without a substance misuse worker) the SROI increased to £16.86.

9. Conclusions and recommendations

The SROI analysis suggests that the substance misuse work has a positive impact and delivers a return on investment of approximately £4 for every £1 invested within two years. This is comparable to the NTA cost benefit analysis that forecasted a ratio of £1.98 for every £1 invested for immediate benefits and between £4.66 and £8.38 in

¹⁴ http://www.wikivois.org/index.php?title=Alcohol_misuse_associated_with_the_NHS_in_Scotland

long term benefits. For prudence, this SROI has only considered benefits within 2 years due to the absence of follow up data around longer term changes.

The main stakeholders who appear to benefit initially from the substance misuse work are health and the young people themselves. This is due to significant benefits from reduced substance misuse for those on referral orders and pre-referrals, which are unlikely to have occurred without the worker, and improved future prospects, particularly for those pre-referral order. Offending also appears to have reduced more than expected for those on a referral order.

Overall, there appears to be more additional impact for those who are pre-referral (e.g. final warning) and those with a referral order, with significant value around engagement in EET for those pre-referral and reduction in offending for those with a referral order. There were smaller number of young people with community orders and DTOs but their outcomes were generally no higher than the outcomes for those without a substance misuse worker – However, it may be that the substance misuse worker was needed to ensure that similar outcomes were met, and we therefore may be under-claiming for this impact.

The main benefit to services is the reduced cost of health services treating people with substance misuse issues, particularly those who have been helped early on in their offending journey. There are also expected to be significant YOS, Police, court and custody cost savings associated with reduced offending for young people on referral orders and to DWP of re-engaging young people pre-referral in education.

While research suggests that a proportion of the young people will naturally experience remission or become non-problematic drug users without intervention, this SROI has evidenced that there is significant positive value, even in the short term, of working with all young offenders who have substance misuse issues. Moreover, it is not possible to know *which* young people would cost the most in the future, so investing early through providing support to *all* young offenders with substance misuse issues is likely to lead to significant savings to public services.

The analysis has highlighted the important of understanding the actual change for young people and the values associated with such outcomes, compared to what it expected. It also highlights the importance of supporting young people as soon as they enter the criminal justice system to maximum the value that can be created. Tracking young people's journeys after support can also help to assess the longer term impact of the support, which is likely to be under-claimed in this analysis.

It is also likely that this SROI has under claimed the value of the substance misuse workers, as the comparison group did not have substance misuse issues. This analysis has therefore highlighted the difficulties in evaluating impact without a robust control group (a group with similar characteristics but do not receive the intervention) to measure the counterfactual. There are a number of techniques available to develop control groups, such as random control trials, although they are

often considered complicated, expensive or unethical. For smaller projects it is usually not considered appropriate to require this level of rigour to an evaluation. However, where evaluations are expected to influence policy it is important to be aware of the different techniques to measure the counterfactual, their benefits and limitations.

Discussion

Research suggests that there is a strong link between substance misuse and offending, with reports claiming that there is a saving of £2,473 in reduced crime¹⁵ for each young person involved in substance misuse treatment. As the substance misuse worker and YOS worker both work flexibly with the young person it is difficult to separate out the impact of one worker, and proportion credit accordingly. The research on remission suggests the 56% of young people with substance misuse issues will naturally remiss, and not become adults with substance misuse issues. If we assume this occurs over a 5 year period, a deadweight of 11% a year can be assigned. If we estimate that, as the YOS worker is the key worker, they can claim for 75% attribution for the outcomes around relationships, motivation to change and EET, and then apply a lower attribution of 25% to the YOS worker for the substance misuse and offending outcomes (due to the strong link between offending and substance misuse and the intense work of the substance misuse worker around these areas) then the SROI increases to £11.77 for every £1 invested, with 58% of the benefit to the criminal justice system (totalling £487,222 over 2 years) and 24% to health. In the absence of a robust control group, more analysis understanding how the YOS worker and substance misuse worker work with young people, in terms of time and intensity, could improve the knowledge on attribution.

¹⁵ Specialist drug and alcohol services for young people – a cost benefit analysis, Frontier Economics, DFE, 2010

Appendix A

Outcomes by intervention and control groups to calculate deadweight

		Number in Intervention Groups	% with positive change (Intervention Group)	Actual number with positive change (Intervention Group)		Number in comparison group	% with positive change (Comparison Group)		Expected number with positive change	Difference	% of positive outcomes expected (Deadweight)
Family & Personal Relationships	Final Warnings with Intervention	5	75%	4		68	18%		1	3	24%
	Referral Orders	25	39%	10		142	30%		8	2	77%
	Community Orders	12	9%	1		109	22%		3	-2	N/A
	Detention & Training Orders	2	50%	1		14	36%		1	0	72%
Substance misuse	Final Warnings with Intervention	5	75%	4		68	7%		0	3	10%
	Referral Orders	25	43%	11		142	30%		7	3	68%
	Community Orders	12	18%	2		109	17%		2	0	96%
	Detention & Training Orders	2	0%	0		14	36%		1	-1	N/A
Education, Training & Employment	Final Warnings with Intervention	5	75%	4		68	18%		1	3	24%
	Referral Orders	25	22%	5		142	25%		6	-1	N/A
	Community Orders	12	18%	2		109	27%		3	-1	N/A
	Detention & Training Orders	2	0%	0		14	14%		0	0	N/A
Motivation to Change	Final Warnings with Intervention	5	50%	3		68	12%		1	2	24%
	Referral Orders	25	13%	3		142	20%		5	-2	N/A
	Community Orders	12	18%	2		109	17%		2	0	94%
	Detention & Training Orders	2	0%	0		14	0%		0	0	N/A

	Number in Intervention Groups	% with no offending in 6 months (Intervention Group)	Actual number with no offending in 6 months (Intervention Group)		Number in comparison group	% with no offending in 6 months (Comparison Group)		Expected number with no offending in 6 months	Difference	% of positive outcomes expected (Deadweight)
Final Warnings with Intervention	5	50%	2		59	85%		3	-1	N/A
Referral Orders	25	76%	19		29	62%		16	3	82%
Community Orders	12	50%	7		16	75%		10	-3	N/A
Detention & Training Orders	2	100%	2		1	100%		2	0	N/A

Appendix B

Copy of questionnaire

1. What did you do with substance misuse worker?

Prompt: Overview of how they saw the intervention: Activities, discussions, etc

2. What has changed as a result of having a substance misuse worker? Have you done anything differently?

Prompt: How has it impacted on your wellbeing, wider needs/issues?

Prompt: Do you feel it has prevented you from offending and how?

Prompt: Any negative changes?

3. Which change was most important to you and why?

4. Has anyone else benefited or been affected and how?

Prompt: Parents, siblings?

5. How long do you expect these changes to last for and why?

Prompt: May be different for different changes

Appendix C

Glossary of terms

Attribution

An assessment of how much of the outcome was caused by the contribution of other organisations or people.

Deadweight

A measure of the amount of outcome that would have happened even if the activity had not taken place.

Discounting

The process by which future financial costs and benefits are recalculated to present-day values.

Displacement

An assessment of how much of the outcome has affected outcomes happening elsewhere.

Drop-off

The deterioration of an outcome over time.

Duration How long (usually in years) an outcome lasts after the intervention, such as length of time a participant remains in a new job.

Financial proxy

A monetary approximation of the value of the outcome.

Impact

The overall outcome for stakeholders, taking into account what would have happened anyway, the contribution of others and the length of time the outcomes last.

Impact map

A table that captures how an activity makes a difference: that is, how it uses its resources to provide activities that then lead to particular outcomes for different stakeholders.

Indicator

A piece of information that helps to determine that a change has taken place. It is a sign that can be measured. SROI is concerned with 'outcome measures' (such as the increased confidence in people who have been on a course) rather than 'output measures' (such as the number of people attending a course).

Inputs

The contributions made by each stakeholder that are necessary for the activity to happen.

Materiality

Information is material if its omission has the potential to affect the readers' or stakeholders' decisions.

Outcome

The changes resulting from an activity. The main types of change from the perspective of stakeholders are unintended (unexpected) and intended (expected), positive and negative change.

Outputs

A way of describing the activity in relation to each stakeholder's inputs in quantitative terms.

Outcome indicator

Well-defined measure of an outcome.

Revealed preference

An approach to approximating the value of an outcome to a stakeholder by inferring the value of an outcome that doesn't have a market price from something that does have a market price.

Scope

The activities, timescale, boundaries and type of SROI analysis.

Sensitivity analysis - an assessment of the extent to which an SROI model is affected by changes to assumptions about variables.

Social return ratio

Total present value of the impact divided by total present value of the investment.

Stakeholders

Groups of people or organisations that affect the activity being analysed or that experience change, whether positive or negative, as a result of the activity.