STREET ELiTE

Social Return on Investment Analysis & Report

December 2019

Commissioned by:

Berkeley Foundation

THE **CHANGE FOUNDATION**

Conducted by:

BEAN RESEARCH

Contents

EXECUTIVE SUMMARY

Street Elite is a training for work initiative using sport, mentoring and skills development to inspire and motivate young people who are currently not in education, employment or training (NEET) run by The Change Foundation and supported by the Berkeley Foundation. Street Elite Intervention & Academy programmes have been running for eight years and engage young people in London through 1:2:1 support and training as well as work placements and job opportunities over a 14-week programme.

Social Return on Investment (SROI) is a framework developed by the New Economics Foundation to help organisations understand, manage and communicate the social value that their activities create in a clear and consistent way, using established financial value data for each of the social and economic impacts generated by a programme and then calculates a ratio of input to return.

Over the last few months, Bean Research has undertaken a SROI analysis on behalf of Street Elite, based on the distance travelled for the 97 participants of the 2018 and 2019 programmes in Newham, Tower Hamlets, Lambeth, Southwark and Hammersmith and Fulham, assessing the impact through economic benefits, human capital gains, avoided Exchequer costs and wellbeing improvements among programme participants, as a result of the programme.

Primarily, the evaluation is built around the fact that as a result of the 2019 programme, 85% (46) are in employment, education or training, with 21 in work. From the 2018 programmes, 31 are still in education employment or training nearly a year after the programme. While young people into employment and education is the key and primary outcome sought for Street Elite participants, this research shows that Street Elite is also a successful programme in increasing physical and mental health, confidence and well-being, reducing drug and alcohol dependency and likelihood of reoffending. All of these aspects, of course, also help ensure more sustained employment for young people. In summary, the Social Return on Investment analysis shows that:

97 young participants in London over 2 years

STREET ELITE

Reduced negative health behaviours	Employability skills and sustained employment	Engaged and active individuals

£10.72 social returns gained over three years for every £1 invested

It is these outcomes which lead to the overall conclusion that the investment of £4,000 per participant in Street Elite generates over ten times that in social value over a period of three years - £10.72 for every £1 invested through reduced negative health behaviours, increased skills and employment and through engaged and active young people.

While the results of this evaluation were included in Street Elite's annual report released in October 2019, this report details these results, the underluying assumptions and methodology in more detail.

EVALUATION APPROACH

Bean Research was commissioned by The Change Foundation to provide an independent evaluation assessing the social return on investment of the Street Elite programme. The research is based on participants of all 2018 and 2019 Academy and Intervention programmes in London, involving 97 young people.

The approach taken involved developing an impact evaluation framework, identifying key indicators alongside key stakeholders and Bean Research researching comparable evidence before deciding on the key indexes indicators to use. Outcome data was then validated and monetised, mostly based on HACT to estimate the social value.

To measure outcomes, the Street Elite-developed Change Checklist and Change Map were used, alongside The Change Foundation's register of attendance, recorded coach observations and NEET to EET tracking. This was supplemented by additional interviews with coaches conducted by Bean Research based on key indicators identified.
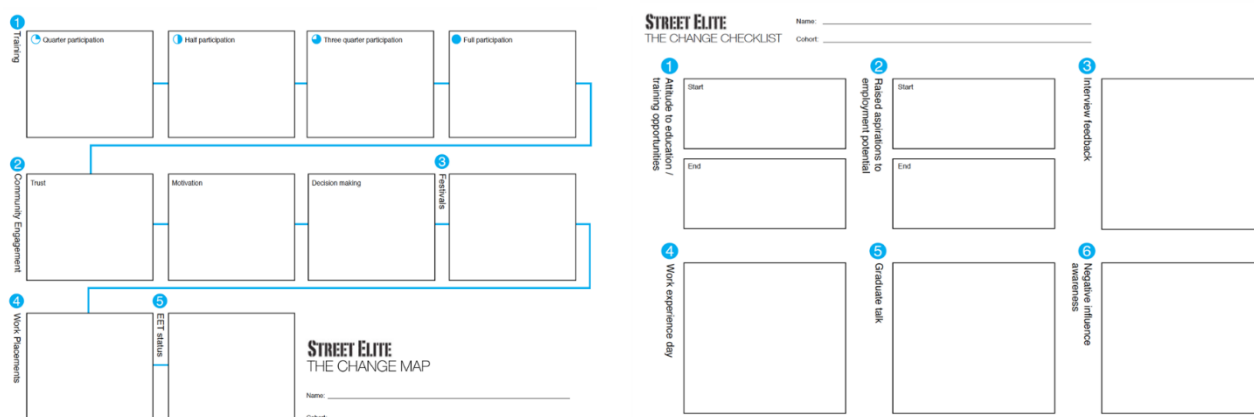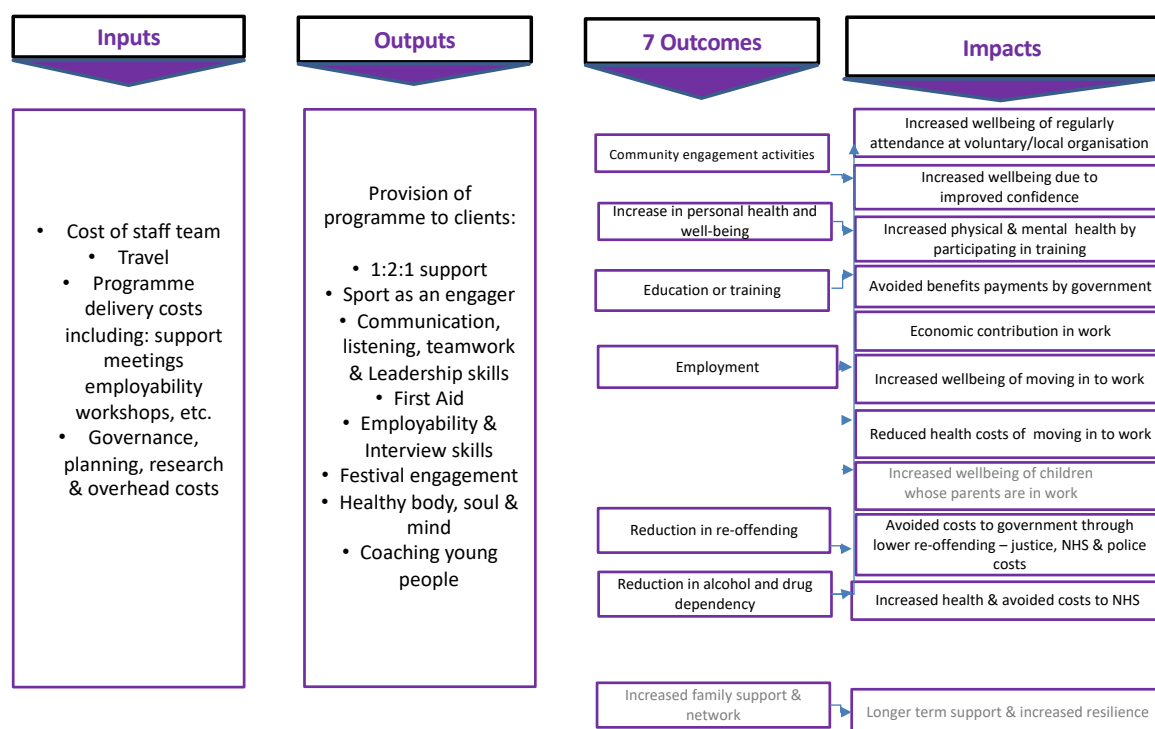

Based on the above outcome measures, Bean Research developed the following impact map to help identify and then value the social impacts that Street Elite creates, and allow a clear link with recognised monetised values of social return.

This describes the:

- inputs: the investment made to run the programme
- outputs: the activities taken as a result of the investment
- outcomes: what changes as a result of the outputs and activities
- impacts: what outcomes occurred that wouldn't have happened in its absence.

Stage 1: Impact Mapping

Inputs	Outputs	7 Outcomes	Impacts

Inputs

- Cost of staff team
  - Travel
  - Programme delivery costs including: support meetings employability workshops, etc.
- Governance, planning, research & overhead costs

Outputs

Provision of programme to clients:

- 1:2:1 support
- Sport as an engager
- Communication, listening, teamwork & Leadership skills
- First Aid
- Employability & Interview skills
- Festival engagement
- Healthy body, soul & mind
- Coaching young people

7 Outcomes

- Community engagement activities
- Increase in personal health and well-being
- Education or training
- Employment
- Reduction in re-offending
- Reduction in alcohol and drug dependency
- Increased family support & network

Impacts

- Increased wellbeing of regularly attendance at voluntary/local organisation
- Increased wellbeing due to improved confidence
- Increased physical & mental health by participating in training
- Avoided benefits payments by government
- Economic contribution in work
- Increased wellbeing of moving in to work
- Reduced health costs of moving in to work
- Increased wellbeing of children whose parents are in work
- Avoided costs to government through lower re-offending – justice, NHS & police costs
- Increased health & avoided costs to NHS
- Longer term support & increased resilience

The measures identified in grey were not able to be included, due to insufficient robust data. While a number of participants were known to have children, this was not collected on a systematic or robust method, and EET outcomes were not recorded by whether those participants had children. In social value terms, the monetised outcomes are much greater for those who have children, given the evidenced outcomes for those children whose parents are in work. Similarly, support and increased support from family and friends are shown to have an impact on longer term outcomes, particularly in terms of sustained employment. Again, this is not currently measured by the Street Elite team. These aspects would strengthen the social return, and will look to be included in any future analysis.

One stakeholder is missing from the analysis. Street Elite's coaching staff, many of whom participated in the programme previously, are essential to its success. It is these coaches who provide 1:2:1 support throughout, and after the programme. Their experience through being involved and their resulting physical and mental well-being and progression has also been identified through this research as of social value. The Change Foundation are now assessing how this could be systematically measured.

The overall imact map, alongside the resulting Social Return on Investment analysis, was then used to develop a Theory of Change which will be used by Street Elite to provide clarity of their understanding of what success looks like and has enabled a clear Impact Assessment Framework to use as a result. Both of these are included later in the rpeort.

This report and analysis was conducted by Bean Research Ltd in Autumn 2019. While the report was commissioned by The Change Foundation, and supported and funded by The Berkeley Foundation, as part of their long term support of the Street Elite programme, neither organisation has played any part in the analysis or conclusions contained in this report.

OUR APPROACH TO SOCIAL RETURN ON INVESTMENT

Social Return on Investment (SROI) is an approach to understanding how activities and organisations create social, economic and environmental changes which seeks to put a value on those changes or outcomes. This report follows the principles identified by the Social Value UK (formerly the SROI Network) and its guidance on how it should be used.

Most of the financial values used were drawn from HACT. This is the largest **bank** of methodologically consistent and robust **social values** ever produced, and the most widely used for both SROI or Cost Benefit Analysis[1]. The research looked at monetised impacts in core areas: benefits savings, increases in income tax and national insurance contributions, reduced criminal justice costs, savings to the NHS from improved wellbeing and effects of training and physical activity.

The impacts were projected for a period of two years after the programme to reflect the ongoing positive returns from sustained employment from clients who participated in the programme. This was not extended to three years, as is usual for SROI analysis, as we had no outcomes for a year or more after the programme, despite numerous case studies and anecdotal evidence. Again, this longer term tracking is intended to be built into the programme going forward.

An important part of the principles of SROI is to account for attribution, deadweight, displacement, discounting and drop-off as well as the possibility of double-counting. We have taken the following approaches to each of these:

Attribution means how much of any change is due to Street Elite activities and programmes. Where possible we have based this on interviews with coaches, backed up by evidence of communications between coaches and participants. Given the length of the programme, and the focus on tackling the underlying causal issues attribution factor of 80% was applied, the employment impacts and 90% for re-offending to reflect the proportion of this outcome that could be attributed to Street Elite's intervention as opposed to another agency or organisation. For training impacts, we have applied 100% as this all took place directly during the programme.

Deadweight is a measure of the amount of the outcome which would have happened without Street Elite. For this, ONS data for NEETs in London was used, as well as MOJ data on re-offending for those with non-custodial sentences of similar ages in London.

Displacement means whether outcomes have simply been displaced, or moved, to somewhere else. We have not accounted for displaced outcomes caused by Street Elite for most of the outcomes identified and assumed that participation in the programme was not preventing others with similar issues from experiencing positive outcomes. However, we have followed advice such as that from DWP which suggests only 20% of jobs created through job-matching are 'additional'.

Drop-off is the effect after the programme. We have based our analysis on data immediately after the programme, when participants leave the Street Elite programme. Street Elite do conduct EET tracking after six months, but it would also be useful to extend this to re-offending and health behaviours for more accurate drop off rates. For now, conservative estimates (high drop-offs) have been assumed, such as a 50% annual drop off for drug dependency.

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[1] These were used under the terms of the Creative Commons license: Creative Commons Attribution-NonCommercial-NoDerivatives license (http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en_GB)

Discounting: to reflect the fact that impacts have been estimated for future years a discount rate has been applied to obtain the present value; money gained a year from now is not worth as much as money now. We have used a rate of 3.5% as recommended by HM Treasury's Green Book.

Double counting: given the type of impacts identified it is possible to 'double count' when you aggregate the value of impacts as each impact is estimated independently of others. The most likely instance of double counting relates to the benefits of training for those participants who both receive training as part of the course and go on to further education or training. We have addressed this by including the benefits of training as part of the programme for all participants, but starting the benefits of training for those who go on to further training at the end of the programme from year 2.

Sensitivity analysis was conducted in order to understand how the social value return differs, where different assumptions are made, changing each by 5-10%. Given the distribution of social returns, assumptions around drug and alcohol dependency have the biggest impact. The lowest recorded social return was £8.66 for every £1 invested.

It should be reiterated that this analysis only includes the 97 participants from Street Elite in 2018 and 2019, and is cautious in its assessment of long term outcomes without long term tracking data. It is therefore likely that an analysis of all participants across each of Street Elite's eight years may generate a different annual social return, particularly cohorts from before 2017 who would be able to demonstrate longer term outcomes.

FINDINGS IN DETAIL

Based on inputs of £388,000 we can conclude that **for every £1 invested Street Elite generates £10.72 in social value over 3 years** through economic benefits, human capital gains, avoided Exchequer costs, as well as health and wellbeing improvements among programme participants. Overall:

£1: £10.72 =
£4,167,634 (total net value of impacts) ÷ £388,000 (total input from The Change Foundation, based on an average participant cost of £4,000 per participant)

In total, we found that the Street Elite programme, by supporting 97 young people, generated £4.17 million of social value, reducing to £3.76million of social value (using net present value - discounting) through its last two years' programmes.

The research looked at monetised impacts in core areas: benefits savings, increases in income tax and national insurance contributions, reduced criminal justice costs, savings to the NHS from improved wellbeing and effects of training. The impacts were projected for a total of a three-year period to reflect the ongoing positive returns from sustained employment from clients who participated in the programme.

It costs £4,000 to support one participant through Street Elite

The investment generates £42,880 of social value over 3 years.

OUTCOMES

The largest impacts of the programme, in monetised terms, are the impacts resulting from improved health behaviours and increased confidence in the future and well-being, as well as employment. Where social value is calculated for a longer period (when robust longer term data allows), the proportional value of sustained employment would increase.
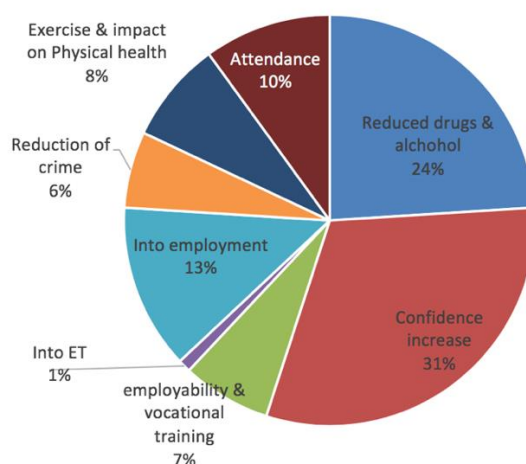
The social return of employment and moving into work

The key objective and the most tangible economic and social outcomes for Street Elite participants is into and sustaining employment. During the 14-week programme, participants take part in employability skills training, as well as work experience and placements.

Of the 97 participants, 43% are employed at the end of the programme, while 31 from the 2018 programme are employed a year later. Given the length of the programme, the developed skills and wider work experience and employability skills developed, drop off is estimated at only 20% per year, as advised by DWP guidance. There are also no assumptions made about any participants being in work two years later. Feedback collected by Street Elite coaches suggests that the actual drop off is much lower, but without substantial long term data, this remains a conservative estimate.

Employment data also assumes that Street Elite who gain employment would otherwise be claiming benefits such as Job Seekers Allowance, Employment & Support Allowance and Income support as well as other benefits like Council Tax Benefit and Housing Benefit. We have estimated the savings in welfare benefits from Job Seekers Allowance and Council Tax Benefit only for each client in work.[2]

There are also additional economic benefits generated by the additional earnings of individuals moving into work - who pay taxes to the Exchequer, and make a contribution to GVA as they enter the workforce[3]. However, as DWP estimates that only 20% of jobs created by job-matching schemes are 'new jobs' we have applied an 80% displacement rate for additional economic benefits that are generated relating to employment.

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[2] New Economy Manchester Unit Cost Database
[3] New Economy Manchester Unit Cost Database. Ibid.

In addition, simply being in work generates increased in wellbeing for the individual employed. This comes from a range of factors including increased income and earnings, less financial stress, better access to healthcare as well as improved status in society[4].

We also know that many of the participants who moved into employment are parents with responsibility for dependent children. However, we were not able to track which participants who moved into employment had children, and for this reason, the extra benefit for dependent children for having a parent in work, has not been included.

There is substantial evidence that links employment status with improved health outcomes, and there is evidence to suggests that movement into employment directly reduces NHS costs as a result of the benefits of work on both physical health and wellbeing.[5] This is also an outcome which is a key driver of maintaining other outcomes such as maintaining drug and alcohol abstinence, secure housing, not re-offending etc. However, only the direct social values and savings have been included, to avoid double counting.

The impacts of moving into work are therefore identified and valued as:
- Avoided benefits payments and increased tax payments on earnings as result of 37 moving into work = £78,719
- The economic contribution made by 37 moving into work & joining labour force = £126,081.80
- Reduced health costs & increased well-being and associated benefits for 37 = £330,754.74

This gives us a total value to society relating to clients finding employment of £505,555.74 or 13% of the total social return.

The social return of skills, development & training

Employability skills training through sport, alongside mentoring, work experience and work placements are key to the success of the Street Elite programme. All participants receive training including Communication, Teamwork, Time Management, Leadership, Decision Making, Respect, Problem Solving and Motivation. In addition, for the academy participants, coaches cover the following themes:

Male Academies
• Teamwork
• Leadership and Decision Making
• Health and Wellbeing
• Public Speaking
• Communication
• Goal Setting

Female Academies
• Healthy Relationships
• Relationship Boundaries
• Conflict Management
• Communication Skills
• Being a Positive Part of your Community
• Self-Motivation
• Public Speaking

In addition, 12 participants received a vocational qualification, their CSCS qualifications and cards. Research has shown that completing training leads to an improvement in life satisfaction and wellbeing[6] either by helping people to get a job or by increasing their skills for work. The benefits of

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[4] Fujiwara, D. (2013) The Social Impact of Housing Providers, HACT
[5] DWP, Social Cost Benefit Analysis framework; with value taken from New Economy Manchester Unit Cost Database
[6] Dolan, P. and Fujiwara, D. (2012), Valuing Adult Learning: Comparing Wellbeing Valuation to Contingent Valuation, Department for Business Innovation and Skills. Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/34598/12-1127-valuing-adult-learning-comparing-wellbeing-to-contingent.pdf

these training are only counted as lasting the duration of the programme itself, although the outcomes are likely to last longer. We have valued the benefits of:

- Increased wellbeing of 87 participants from participating in training sessions during the programme (10 were not regular-enough participants to include) = £136,329
- Vocational training qualification achieved for 12 participants = £6,744

Additionally, some participants move into further education or training at the end of the programme, rather than employment. Of the 97 participants, 44 went on to college and in doing so benefitted from the ongoing benefits of this to long-term earning power and improved skills. As the length of the courses are unknown (although to count it has to be over 12 weeks), a 20% drop off in the first year, and then 60% in the second year has been applied, as has a 20% attribution value given participants may have entered college or education without the previous support of Street Elite programme. We have valued the benefits of:

- Increased wellbeing of moving into other training or education (not NEET) = £38,112

The total social return for training is £181,185 or 8% of the total social return.

The social return of changes in reducing negative health behaviours & increasing positive health

Improving physical and mental well-being is at the heart of the Street Elite programme, and given the long-term economic consequences of negative heath behaviours and the impact on young people's mental health and ability to sustain employment, it is perhaps not surprising that these aspects contribute over half the value of social return.

Drugs and alcohol

Street Elite does not set out to reduce drug or alcohol dependency. But through its physical activities, support and one-to-one mentoring provided, reliance on smoking and drugs among participants is reduced significantly. In turn, reduced negative health behaviours enables sustained health and employment. 23 participants were noted as dependent on smoking, drugs or alcohol, and at the end of the programme six were noted as dependent. Given there is little data after the programme, we have assumed a 50% drop off and reduced dependency lasts for a maximum of two years. We have therefore valued the benefits of:

- Improved health and wellbeing of 17 participants who had previously drug and alcohol dependency = £1,279,018.80, 24% of the total return.

Health and wellbeing

Street Elite engages and inspires young people through sport. As a result of the programme, coaches report changes in participants' mental and physical health. We have calculated monetised values for physical and mental health, as well as the wellbeing gained from confidence in the future, based on the feeling of being in control, based on the 73 who were reported to have increased confidence as a result of the programme. This is supported by 75% reporting increased motivation, 41% having increased awareness of the influences around them and 76% who have raised aspirations for the future.

Physical health measures are included for all given the fitness and sports element implicit in any Street Elite programme. These are only calculated for the time and immediately after participants are in the programme, and there is no evidence to demonstrate continued physical activity.

- Increased well-being for 73 from 'confidence in the future' and being in control: £1,355,318
- Improved physical health of 84 out of 97 participants = £494,625.60

Total health and well-being benefits are therefore £1,849,943.60. 39% of the total return.

The social return of reduced reoffending

While reducing re-offending is not one of the key goals for the programme, there is evidence to suggest there is a difference between actual and 'expected' offences, given the participants' previous offences. 33 participants offended before starting the Street Elite programme. Ministry of Justice data suggests 67% of young Londoners who have previous offences and are not in education, employment or training will re-offend within a year. In fact, by the end of the programme, only one had re-offended. Although Street Elite did not collect post-programme data on offending, the coaches had kept in touch with all the engaged participants. We have assumed there are 22 prevented offences over two years, with associated saved costs as a result[7]. Overall, social value was valued as:

- Avoided Exchequer costs related to less time spent in prison = £112,881.60
- Avoided economic and social costs associated with the actual crime costs = £117,032.85

The total social return for reducing re-offending is £229,914.45 or 6% of the total social return.

The social return of volunteering and the voluntary sector

Volunteering creates benefits for the individual, for the economy and for society[8]. There is also consistent evidence from other studies[9] suggesting that participating in volunteering leads to an increase in wellbeing. More recent studies have also shown that it is possible to put a value on volunteering (in terms of the cost of not being able to volunteer)[10] and we have used this to estimate the benefit from volunteering. Throughout the Street Elite programme, participants are encouraged to volunteer, culminating with the Street Elite Festival involving 740 children from local boroughs each summer. This has only been calculated as being of value for a year, although the effects are likely to last longer.

In addition, simply participating in activities and coming into contact with and being supported by the voluntary sector regularly has been shown to improve people's general wellbeing. In addition, We have therefore valued the benefits of:

- Improved wellbeing: this regular contact with the voluntary sector and attendance has for the participants of the programme for the 87 involved = £222,058.80 (10% of the total return).

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[7] New Economy Manchester Unit Cost database. Ibid.

[8] Haldane, A (2014), 'In giving, how much do we receive? The social value of volunteering. Speech given at the Society of Business Economists, London.

[9] Cabinet Office (2007), Helping Out - A national survey of volunteering and charitable giving

[10] Fujiwara, D. (2013) The Social Impact of Housing Providers. Available at
http://www.hact.org.uk/sites/default/files/uploads/Archives/2013/02/The%20Social%20Impact%20of%20Housing%20FINALpdf.pdf

RECOMMENDATIONS

The Social Return on Investment analysis is a useful tool to evidence to funders, employees and beneficiaries the social value created through a succcesful programme, such as Street Elite. Crucially though, it is also a valuable microscope to how an organisation defines its success and the evaluation processes of a programme to demnstate that. In Bean Research's experience, the value of recommendations is as important as the monetary social value calculations.

For Street Elite, the key recommendation is based on the learning of the value of outcomes created in addition to the key 'into' employment, education and raising, such as changing health behaviours and reducing offending. In order for these to be robustly measured on an ongoing basis, these indicators need to be embdeed into Street Elite's Change Map.

Still further, increased pre-programme measures (by coaches and direct from participants) will help demonstrate the difference or change delivered through the programme.

As refered to earlier, as with many charities, building on systems and processes to measure longer term outcomes would also allow more robust measures of sustained employment, asnd ensure lower assumed drop-offs.

Bean Research has also used this analysis to draft a Theory of Change (and resulting Impact Assessment Framework) for the organistaion to better reflect the wider outcomes that Street Elite generates.

These will now be tested by The Change Foundation among coaches, management, funders and wider stakeholders and finalised, ready to be put into use in the 2020 programme.